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Philippine Soldiers Attempt Takeover; Aquino Unharmed

MANILA — Several hundred mutinous troops attacked the presidential palace compound early Friday in an apparent coup attempt against the government of President Corason C. Aquino. Mrs. Aquino was safe, her spokesman said.



Policemen in Manila seizing student demonstrators Thursday, the day after a general strike to protest a fuel price increase.

Prospect 'Better' For Arms Pact, Moscow Asserts

MOSCOW — The Soviet Union said Thursday that the chances of concluding a major arms agreement with the United States "changed for the better" when West Germany agreed to eliminate 72 Pershing-1A missiles.

Kiosk Italy Nears Action on Gulf

ROME (Reuters) — The Italian cabinet agreed Thursday to send minewepners to the Gulf if a United Nations cease-fire call fails to halt the Iran-Iraq war soon.

Nunn Decides Not to Seek White House

WASHINGTON — Senator Sam Nunn of Georgia, considered a potentially strong presidential candidate by many Southern and conservative Democrats, announced Thursday that he would not seek the 1988 nomination.

More Miners Dismissed in South Africa

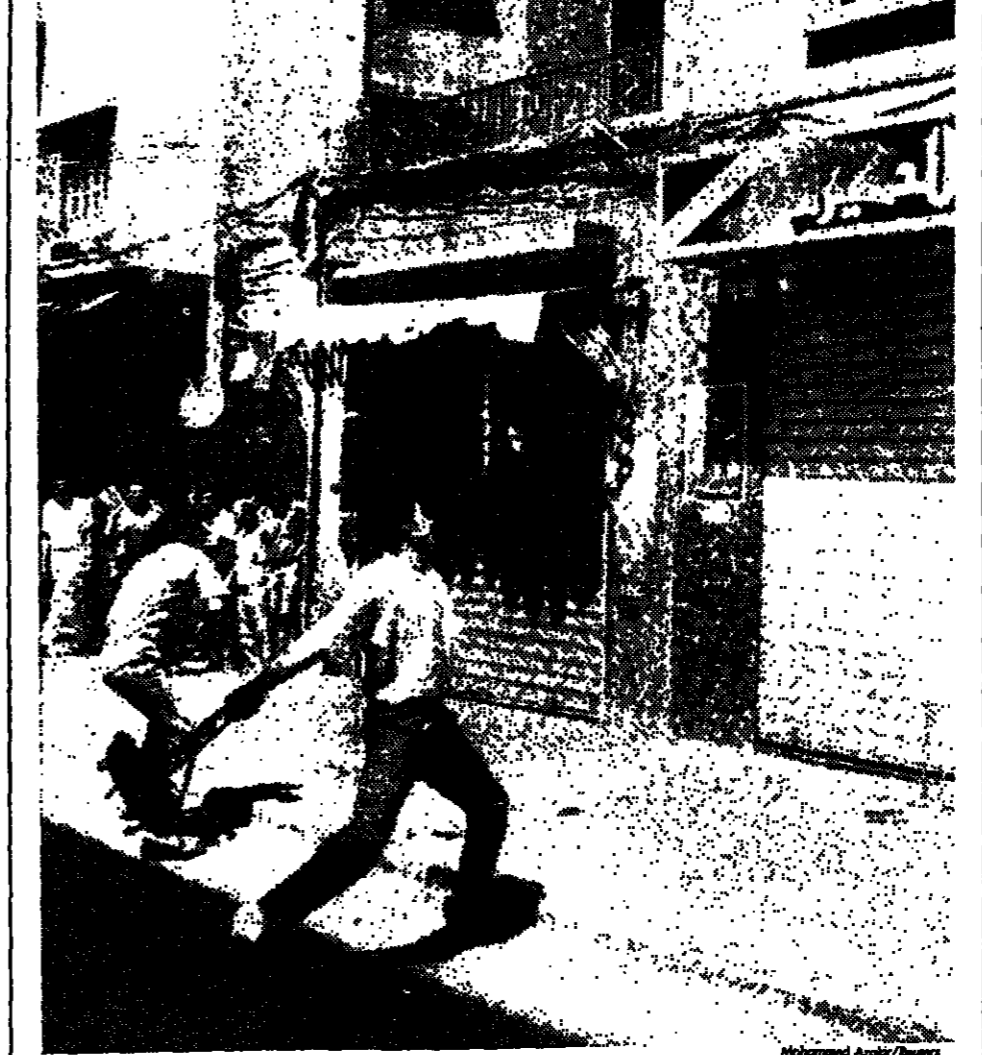
JOHANNESBURG — Anglo American Corp., disregarding threats of a national strike in support of striking black miners, dismissed 18,400 workers at six mines on Thursday and reaffirmed deadlines for 32,000 others to be back at work Friday.



Paul Molitor reached base Wednesday night his last time at bat, but on an error, and his hitting streak was broken at 39 games.

Dollar Lowers Profit at Toyota, Volvo

Toyota has seen declines in its profits and in U.S. sales in previous financial reporting periods. But the fall-in-profit reported Thursday was more serious than last year's 17.2 percent, and company officials said that sales were expected to be stagnant in the coming year.



In Beirut, Fury as the Lebanese Pound Falls

Looters attacking a currency-exchange shop in West Beirut on Thursday during a protest over the decline in value of the Lebanese pound, which has lost 71 percent of its value this year, sending prices of the basic goods that Lebanon imports sharply higher.

From Top Down, a Web of Scandals

By Margot Hornblower Washington Post Service NEW YORK — At his corruption trial last year, Stanley Friedman, the Democratic Party boss of the Bronx and former deputy mayor, was asked if he had been paid \$10,000 to make two telephone calls to city officials on behalf of a developer.

GENERAL NEWS Ransom schemes to gain the release of U.S. hostages in Lebanon were "hatched," a CIA official testified. Page 3.

Pop's Mega Best Seller Ends Silence

By Mike Zwerin International Herald Tribune PARIS — You can hear 38.5 million sighs of relief. Our hero's image problems seem over. After five years without releasing an album, and after persistent rumors that he has become withdrawn and eccentric, Michael Jackson is back on record.

Eccentric Economics Book Wins Big U.S. Audience

By Jonathon Peterson Los Angeles Times Service LOS ANGELES — A new best seller predicting economic catastrophe, "The Great Depression of 1990," has suddenly become a fashionable topic among economists as well as a fast-growing number of lay readers.



# Bonn Social Democrats And East German Party Call for Joint Reforms

By Robert J. McCarmey  
*Washington Post Service*  
**BONN** — Prominent representatives of the Social Democratic Party in West Germany and the Socialist Unity Party in East Germany issued a joint declaration of goals Thursday calling for an end to the arms race and "peaceful competition" between their two systems.

The document was issued 11 days before a scheduled visit to West Germany by the East German chief of state, Erich Honecker. A Social Democratic Party official said that the timing was "favorable" but a coincidence, inasmuch as the two sides began work on the paper two years ago.

## MANILA: Attempted Mutiny

(Continued from Page 1)

The presidential spokesman, Teodoro Benigno, said Mrs. Aquino and her family were safe inside her residence across the street from the main Malacañang Palace compound.

The situation immediately around her residence is under control, Mr. Benigno said. "She asked me to call radio stations to say her family is all right and for the country not to worry about her."

A resident of the palace area, Rene de los Reyes, said the attack started around 1 A.M. when truckloads of mutineers approached the palace.

Mrs. Aquino's government has survived several coup attempts since she took power in a military-civilian uprising that deposed Mr. Marcos in February 1986.

Military sources said the attack Friday was the most serious since January, when mutineers attempted to seize news media and military facilities in the capital in an attempt to restore Mr. Marcos to power.

In April, a small group of rebels stormed army headquarters at Fort Bonifacio in an attempt to free those jailed after the January attack. Most were captured.

On Thursday, the police chased away protesters and arrested 71 people, including the strike organizer, Medardo Roda.

Transportation in Manila remained impaired and some shops and businesses stayed shut Thursday, but the nationwide strike called to protest government-ordered fuel price increases was less severe than on Wednesday.

Brigadier General Alfredo Lim, the Manila police chief, said Mr. Roda, chairman of the United Association of Transport Workers Nationwide, was arrested for "inciting to sedition."

Protests on Wednesday paralyzed public transport and commerce in Manila and elsewhere, triggering violent clashes with the authorities. Four persons were wounded when the police fired on strikers who refused to disperse in Bacoor, just south of Manila. Nationwide, 127 people were arrested Wednesday. (AP, UPI)

## SEUL: Crackdown on Leftists It Blames for Widespread Strikes

(Continued from Page 1)

It warned in a statement that if the authorities attempted to thwart the planned "peaceful" memorial gatherings by the use of force, "a dreadful development" would occur, apparently referring to rioting.

On Koje Island, the union at Daewoo Shipbuilding & Heavy Machinery Co. agreed Thursday to hold a funeral Friday for Lee Suk Kyu and to bury him in his native village of Manwon, 75 miles (120 kilometers) west of Koje. Mr. Lee, 21, was killed Saturday in a clash with riot police.

The workers had postponed the burial indefinitely, while representatives of the coalition insisted the body be buried alongside more than 100 victims of the 1980 anti-government uprising in the southwestern provincial city of Kwangju.

The union ended a 20-day strike Wednesday after winning hefty wage increases for its 12,000 workers.

Mr. Kim's address to the nation was made as workers, mostly demanding pay raises, were striking at about 640 companies across the country.

Speaking after an urgent cabinet meeting, he said leftist forces had infiltrated university campuses and trade unions and were "earnestly" launching struggles to overthrow the free democratic system.

Students are expected to resume anti-government demonstrations when universities reopen next week after the summer vacation.

Mr. Kim suggested that one coalition leader and the top leaders of the new Nationwide University Student Representatives Council were leftist.

Justice Minister Chung Hae Chang told a cabinet meeting earlier Thursday that 60 suspected radicals had been arrested in the past week after allegedly trying to infiltrate factories disguised as workers.

Diplomatic analysts said they did not believe the anti-leftist broadside meant Seoul was backing away from its newly conciliatory labor policies. They said they expected Seoul to honor its July 1 pledge, forced by weeks of angry street protests, to write a new constitution and allow free elections this year for a new president.

One West European diplomat said: "The government knew, when it opened the political floodgates, that the workers would immediately swarm in with a string of demands and it was ready to tolerate them." (Reuters, APF)



Kim Woo Jung, the chairman of the Daewoo Group, expressing his regret to thousands of workers over the recent strike and the death of a worker at the company's shipbuilding plant on Koje Island. At right is Yang Ton Seng, the union head at the facility, and at center is Yoon Young Seok, president of Daewoo Shipbuilding & Heavy Machinery Co.

## Seoul Orders Crackdown on Leftists

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## Japan Orbits Satellite and Boosts Hope For Business

(Continued from Page 1)

TOKYO — Japan successfully launched a new, powerful rocket Thursday, boosting its hopes of an early entry into the international satellite-launching business.

The launching, delayed from last week due to equipment malfunction, was broadcast live on television.

The three-stage H-1 rocket, powered by one U.S. and two Japanese engines, blasted off from the Tanshima Space Center in southern Japan on course to place an experimental, multipurpose satellite in a geostationary orbit.

In contrast to earlier Japanese rockets that relied heavily on the U.S. Delta designs and American components, only the first-stage engine and the strap-on boosters of the H-1 were bought from U.S. companies.

The rocket's controlling unit was wholly developed by Japan's National Space Development Agency along with key engines for the second and third stages, which require more precision than the first stage.

The launching followed a test lift-off last year of an experimental two-stage rocket.

Relyance on U.S. technology has accelerated Japan's know-how in satellite technology. But related contractual restrictions have blocked its entry into the satellite-launching market.

The H-1 will be used to launch eight more communications, weather and other satellites over the next three years. It will serve as the basis for a larger H-2 rocket due to make its debut in 1992, a spokesman said.

The H-2, planned as the launcher for Japan's own space shuttle, is expected to be constructed entirely of Japanese-made and licensed parts.

The predecessors of the H-1 rocket were based on the U.S. Delta rocket and the Japanese used a U.S.-designed inertial guidance system to follow their flight paths into orbit.

The Kiku-5 (Chrysanthemum-5) satellite, Japan's 36th so far, will be used by researchers to study design for improved and heavier geostationary satellites, such as big-capacity communication satellites.

## WORLD BRIEFS

### India Says It May Settle Bhopal Suit

NEW DELHI (NYT) — The government declared Thursday that it was prepared for "a fair and just settlement" that would end an acrimonious court battle with Union Carbide Corp. over compensation for the victims of the gas leak at Bhopal in 1984.

### 24 Killed in Pakistan Ethnic Clashes

KARACHI, Pakistan (Reuters) — Ethnic violence spread Thursday in Pakistan, with curfews imposed in two cities as the death toll rose to 24 in two days of riots. The clashes began Wednesday night, when at least 18 people have been killed and more than 80 injured, doctors said.

### Test of Shuttle's Booster Is Aborted

BRIGHAM CITY, Utah (AP) — The first full-scale test firing of a space shuttle booster rocket, redesigned to remove the flaw that destroyed Challenger, was aborted Thursday less than 20 seconds before it was to begin.

### Waite in Good Health, Iranians Say

LONDON (AP) — A reporter for the British Broadcasting Corp. in Tehran said Thursday he received assurances from official sources that Terry Waite, the special envoy of the Church of England, was in good health.

### Soviet Tests Million People for AIDS

MOSCOW (Reuters) — One million people have been tested for AIDS in the Soviet Union and 102 carriers of the virus have been detected so far, including 80 foreigners, a senior Soviet health official said Thursday.

### Proxmire To Give Up Senate Seat

MADISON, Wisconsin — Senator William Proxmire, Democrat of Wisconsin and chairman of the Senate banking committee, said Thursday he would not seek reelection next year for a sixth term because he is "too old." He has served in the Senate for 30 years.

### Chirac Scores Image Coup By Becoming Madonna Fan

PARIS — As French politicians prepare their postvacation return, in bursts of politics and showbiz, Prime Minister Jacques Chirac has eclipsed everyone by lining up his star with that of the pop singer, Madonna, who because of him will be allowed to perform in a Paris suburb Saturday. And all this thanks to his newest and most unusual adviser, his daughter, Claude.

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## JACKSON: Pop Music's Mega Best Seller Ends Silence

(Continued from Page 1)

videos. It began to get a bit kinky and, anyway, why hadn't he made records in five years?

All of that is now put to rest. CBS France has released a photo of a smiling Jackson standing beside two of his executives at a recent company sales conference in New York ("without mask and without oxygen tent," says the accompanying text), and a press attaché reports he had a firm handshake and is a shy, likable young man. She said that if she had his money, she'd have a zoo too.

The new album speaks for itself. "Bad" is technically and commercially perfect, and a perfect sequel to "Thriller."

Perfection starts with the name. "Bad" means "good" in African-American slang, it implies people like Malcolm X, Eddie Murphy, John Coltrane and of course Michael Jackson — blacks who forced white society to accept them on their own terms. The last thing a black star in America wants to be is "good." Uncle Tom was "good." The name even suggests possible sequels — "Badder" and "Baddest," for example.

Perfection continues with the credits: "Our deepest gratitude to the Creator for the tireless efforts of those who generously gave of themselves — creatively, physically and spiritually — in the making of this music." The long list of names that follows includes God, Marion Brando, Robert De Niro, Henri Salvador and Martin Scorsese. Perfection also involves highly visible videos, something herein guaranteed — "Bad" the video was directed by Scorsese with a budget of a cool \$1 million.

The album's production is about as perfect as possible, something we have come to expect from Quincy Jones. It is not always clear whether Jones sets or tailgates trends but in either case he's always right up there on the cutting edge.

Anybody's definition of the edge would include a heavy dose of electronics in the style of Prince, the (at least until next Monday) current "Baddest Cat on the Scene."

## Chirac Scores Image Coup By Becoming Madonna Fan

(Continued from Page 1)

PARIS — As French politicians prepare their postvacation return, in bursts of politics and showbiz, Prime Minister Jacques Chirac has eclipsed everyone by lining up his star with that of the pop singer, Madonna, who because of him will be allowed to perform in a Paris suburb Saturday. And all this thanks to his newest and most unusual adviser, his daughter, Claude.

Pierre Ringenbach, the mayor of Sceaux and a member of Mr. Chirac's party, had originally banned the concert on safety and other grounds, notably fears that the 100,000 people expected would ruin the lawn in the park. But Madonna, who is on a sellout tour of Europe, said she did not want to perform anywhere else.

"Like a lot of young people, I like Madonna very much," Miss Chirac, 24, said in an interview with Agence France-Presse. "So I made Papa listen to my records and watch videos, telling him that we risked losing a musical event of great importance."

Her father "looked into the matter with his colleagues, and together they found a solution," she said.

After two weeks of negotiations and, reportedly, strong nudging from Mr. Chirac, the Sceaux city council agreed that "all should be done to allow the event to go ahead under the best conditions."

The turnaround was the culmination of a campaign by Miss Chirac in newspapers and on radio to mellow her father's image. Miss Chirac, who has a degree in economics but is said to be more interested in show business, has been telling the public that her father is not as tough as he seems. To make it clearer she has been escorting him to concerts and trendy nightspots.

At a meeting this week for young members of his Rally for the Republic party, Mr. Chirac held up a cover of a Madonna record and officially declared her a "beautiful and great artist." This, of course, got more press attention than his political statements.

Madonna was expected in Paris on Thursday. Before her concert Saturday she is to meet with Mr. Chirac and his family.

## ARMES: Soviet Sees Improved Chances for a Geneva Pact

(Continued from Page 1)

counter" to the current climate of East-West relations.

Mr. Reagan challenged the Soviets to permit self-determination in its Eastern European satellites, to stop fomenting revolution from Afghanistan to Nicaragua and to tear down the Berlin Wall. He also said an arms agreement was close at hand.

Mr. Gerasimov said the speech "had nothing new."

"The speech is made up of the old baggage of anti-Soviet rhetoric down to the use of the expressions of the type 'crusade for freedom,'" he said.

"Now it has almost become a rule with the U.S. side to start building up enemy before each important Soviet-American meeting," Mr. Gerasimov said.

Mr. Gerasimov denied that Mikhail S. Gorbachev, the Soviet leader, would travel to the United Nations next month.

The British Broadcasting Corp., quoting U.S. State Department sources, reported earlier Thursday that the UN administration in New York had been advised to prepare for a visit by Mr. Gorbachev during the last three days of September.

But Mr. Gerasimov said, "this information has no grounds whatsoever." (UPI, Reuters, AP)

## Tourism Is Growing in the Caribbean

(Continued from Page 1)

KINGSTON, Jamaica (AP) — Caribbean nations that have suffered from weak prices for their main commodity exports are getting some relief from increased tourism, according to the Caribbean Tourism Development Center, based in Barbados.

The center said tourism is growing significantly in most of the Caribbean resort countries. That growth has been spurred by the decline in the value of the U.S. dollar against European currencies, it said.

Tourist arrivals from January to April were 12 percent higher than the corresponding period last year. The Caribbean tourist industry grew last year by 5 percent in the volume of arrivals, boosted by an 8-percent increase in U.S. visitors.

Spanish authorities ordered air controllers in Barcelona on Thursday to expand minimum services during a 24-hour strike Saturday to avoid a repeat of the airport chaos that affected thousands of vacationers last week.

Complaints in Spain that drugged drivers gamble against death at high speeds has come under police investigation. A senior police officer said Thursday they were checking reports that drugged motorists race through oncoming traffic in highway death bets involving large sums. (Reuters)

London bus services were disrupted Thursday by a strike called to protest over the death of a conductor who was stabbed in an argument over a fare. Babu Shah, 43, died Aug. 7, one month after the incident near Hyde Park. The police have charged a suspect. (AP)

A collision with a cow on a Guyanese runway near the Brazilian border has grounded Guyana's only remaining domestic airplane, a propeller-driven HS-748, crippling air service to the interior, a spokesman for Guyana Airways said. (UPI)

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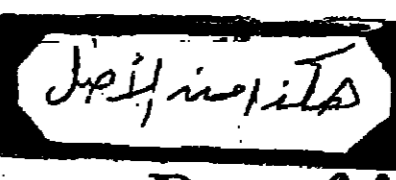
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# Hostage Ransom Deals Were 'Harebrained,' CIA Official Testifies

By Stephen Engelberg  
New York Times Service  
WASHINGTON — The White House kept alive an effort in 1986 to ransom the American hostages in Lebanon even though the Central Intelligence Agency believed the intermediaries were trying to steal the money, according to testimony and documents made public by the Iran-contra committee.

The material declassified Wednesday sheds new light on the administration's desperate attempts to free hostages, some of which were characterized by Clair George, the CIA's chief operations officer, as "harebrained schemes."

Mr. George's testimony contends that President Ronald Reagan and the late William J. Casey, then the CIA director, were overcome by "emotionalism" about the hostages, causing them to "do and to say things that are now, after the fact, foolish."

The CIA documents show that the agency was consistently skeptical about an operation using two Drug Enforcement Administration agents that was put together by Lieutenant Colonel Oliver L. North, who was then an aide to the National Security Council.

Under the plan, which Robert C. McFarlane, a former national security adviser, testified had been approved by Mr. Reagan, \$2 million in private money was to be used to gain the release of two hostages.

The administration was willing to raise as much as \$10 million in private funds and was prepared to give the money directly to the groups holding the hostages, a CIA document said.

According to the document, at a meeting on June 5, 1986, Mr. Casey told Rear Admiral John M. Poindexter, the national security adviser, of a "suggested effort to ransom the hostages from Hezbollah," a reference to the militant group that was believed to hold the hostages.

The memo said Admiral Poindexter "agreed to talk to the president to see if this kind of approach could be pursued privately."

The administration's stated policy was to not deal with terrorists. A main justification for the Iran arms dealings initially advanced by Mr. Reagan in his speeches was that the United States had dealt with Iran, not the kidnappers.

# Democratic Candidates Hampered by 'Seven Dwarfs' Image

By Maureen Dowd  
New York Times Service  
WASHINGTON — The vote for president, the experts say, is the most personal one. So it is only natural that Americans want to fall in love a little with the leader they send to the White House.

This summer, judging by the amount of time spent chasing moonbeams and rumors and would-be and should-be and might-be candidates, the Democrats are longing for the perfect prince date.

The Democratic candidates are the good steady falls your mother told you to look for. The good providers you'll learn to love. Ann F. Lewis, a Democratic strategist, said wistfully, "But nobody here leads with emotion."

Or, to put it less delicately, as a Republican consultant, Roger Ailes, did: "If these guys were all on 'The Dating Game,' nobody would get picked. You don't get the feeling anybody's hanging loose and having fun. Even Jesse Jackson has stopped rhymin' things."

This may explain why the focus of the campaign so far, not only among those actively involved in the race but also among interested observers, has stayed to a remarkable degree on noncandidates such as Senators Sam Nunn of Georgia and Bill Bradley of New Jersey, and Governor Mario M. Cuomo of New York.

They sit on the side of the stage like Hamlets, bathed in flattering baby spotlights and brooding about whether their ambitions are ripe. Or rotten, in the case of Gary Hart, sarcastically dubbed "the Dark Prince" by staff members of Patricia Schroeder, the Colorado representative who is exploring whether she should formally announce a candidacy.

In this year of unrequited yearning, elusive prizes are more intriguing than earnest suitors.

The candidates' problems are underscored by the belittling nickname that lingers on: the Seven Dwarfs. The original dwarfs may have been cute, but they never got to go out with Snow White.

When they are asked about this problem of seeming "presidential" — which is another way of saying princely and larger than life — the candidates snip, as Representative Richard A. Gephardt of Missouri did, "Jack Kennedy was seen as a lightweight when he was running."

But while some may have considered him too young, too Catholic and too loutish, Kennedy always had the fairy-tale glamour and the romantic flair that many voters crave.

Many reporters who have followed the Democratic candidates have remarked on the fact that, in private, they are as policy minded and colorless in their conversation as they are in public.

They say this syndrome of "wanting what you don't have" is typical of presidential campaigns.

"Four years ago, the Democrats were called the Somnium Six," said Michael McCurry, the press aide of former Governor Bruce E. Rabbitt of Arizona. And everyone points to the years of longing for Senator Edward M. Kennedy of Massachusetts to run for president, despite the prospect that stories about Chappaquiddick would cast a deep shadow over his candidacy as soon as he declared — as in fact they did in 1980.

They also argue that, because the Democrats have, in a sense, broken their ties with the old candidates and old institutions and put forth a "new generation," that it is taking longer for the voters to get to know the players.

Whatever the reason, the phenomenon is a diminishing and maddening one for the extant campaigns, which spend a lot of time tracking down rumors about other candidates.

The day after the seven candidates — Mr. Babbitt, Mr. Dukakis, Mr. Gephardt, Mr. Jackson, and Senators Joseph R. Biden of Delaware, Albert Gore Jr. of Tennessee and Paul Simon of Illinois — debated in Iowa, Mr. McCurry said that they were annoyed to see that the news of the debate was reported far back in The New York Times, while a foreign policy speech by Mr. Cuomo made the front page.

While the active candidates slaved away in Iowa and New Hampshire last week, counting primary voters, it was Mr. Hart whose picture was smiling from newspapers, as reporters chased rumors that the fallen front-runner might resume his quest.

"We're out there slugging away at state fairs and beating our heads against the wall," Mr. McCurry said, "and people are more interested in whether Gary Hart's coming back early from Ireland."

Some analysts suggest the root cause of the continued yearning may be more complex than merely wanting what you don't have.

As a group, Mr. Ailes said, the Democratic candidates have taken on a bland image that is unconfortably reminiscent of the sort of small shadow cast by Jimmy Carter.

Carter Eskew, a Democratic media consultant, suggests that Americans may subconsciously lose respect for anyone willing to put himself through the grind of a campaign.

"There are these wonderful towering figures out there casting a shadow on the playing field," Mr. Eskew said. "But the minute they become a candidate, they would shrink. There is this myth of the effortless candidate. Once a guy starts running, he's seen as grubbing for votes."

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# Aviation Experts in U.S. Confident About Safety

By Clifford D. May  
New York Times Service

WASHINGTON — Reports of aviation accidents and emergencies have proliferated in the wake of the Northwest Airlines disaster near Detroit and the close brush between President Ronald Reagan's helicopter and a private plane in California.

However, aviation experts say they do not believe these incidents represent a sudden decline in the level of air safety.

On Saturday, a Trans World Airlines jet skidded to an emergency landing at a U.S. Air Force base near St. Louis on two sets of landing wheels and "is right again."

Also over the weekend, an American Airlines jet lost power over New Mexico, a Delta Air Lines flight made an unscheduled stop in Louisiana after an oil pressure light went on, a private plane crashed on Long Island and there were reports of engine failures and malfunctioning landing wheels on at least two flights in Europe.

On Tuesday another Northwest Airlines jet, of the same type that crashed on Aug. 16 killing 156 people, aborted its takeoff from the same runway at Detroit Airport with what was described as an engine problem.

Experts said that there are reasons for concern but that the risks of flying are relatively small. And they acknowledge a public perception of declining air safety, but attribute that to increased attention focused on the problem by the press.

"I think what you have right now is a heightened awareness of the situation in the skies," said John Gallop, president of the Aviation Safety Institute, a nonprofit group that compiles records of incidents.

Fred Farrar, a spokesman for the Federal Aviation Administration, said agency statistics showed that the number of reported mishaps has not risen alarmingly in recent days.

Aviation experts also suggested that pilots, other crew members, air controllers and others may be better diligent in their reporting of incidents in the days immediately following a serious accident.

Other experts said that occasional equipment failures are virtually impossible to eliminate and that it is a sign that the system is working adequately when an impaired air-liner manages a safe landing.

At the same time, the experts noted, some statistical measures of air travel risk are worsening.

For example, aircraft passed too close to one another 615 times in the first seven months of this year as against 478 such incidents during the same period last year, according to the National Transportation Safety Board. Air controllers made 783 errors in the first seven months of this year as against 668 errors in the same period last year.

While these trends are disquieting, many aviation experts said that the risk faced by air travelers remains relatively small.

# Hostage's Release Demanded on Elba

United Press International

ELBA, Italy — Negotiators trying to regain control of a prison on this island said Thursday that six convicts holding 21 hostages had to release the sole woman among them before the authorities would even consider their demand for an escape helicopter.

The inmates, all convicted murderers, were being led by a neo-fascist leader, Mario Tuti.

The negotiators said that the only concession made in three days of negotiations had been to deliver newspapers, food and drink at regular intervals to a prison infirmary where the hostages were being held.

The infirmary is on the fifth floor of the 17th-century fortress prison, on the outskirts of the resort town of Porto Azzurro.

The negotiators confirmed that after a captive guard was released late Wednesday, 36 people remained in the infirmary. They were the six rebels, the 21 hostages, two other inmates who backed out of the escape attempt, and seven prisoner patients.

Tuti said Wednesday that the rebels had fixed explosives to blow up the infirmary if they were attacked by police.

The inmates' sole demand was for a helicopter to take them from the island, which is off northwest Italy. They said they would take Warden Cosimo Giordano and another hostage with them to guarantee safe passage.

The negotiators reported that they had been talking to the inmates and some hostages by telephone since the siege began Tuesday.

When sentenced to prison, Tuti was the leader of the rightist National Revolutionary Front. He is serving two life sentences for killing two policemen and masterminding a 1974 train bombing that killed 12 passengers.

In a protest note Wednesday Secretary of State George P. Shultz, Father d'Escoto said the alleged spying and two recent rebel attacks showed that the United States was out to "frustrate" the peace plan.

She described Mr. Diaz as the head of a party that favored the leftist government and said he and Mr. Parajon were "unlikely to deviate from the Sandinista line."

At the same time, however, she said the Reagan administration welcomed the government's decision to allow the return of three exiled Roman Catholic priests.

In Miami, one of the three, Monsignor Bismark Carballo Madrigal, who had been unable to return to Nicaragua since June 1986, said Wednesday that he would go to Managua in September.

# NEW YORK: From the Top Down, a Web of Scandals Has Entwined the City's Politicians and Bureaucrats

(Continued from Page 1)  
answer is the amount of political corruption and organized crime we've tolerated."

Frank G. Rohatyn, an investment banker who served on the State City Commission on Integrity in Government, formed after the scandals broke, noted: "You have political corruption, organized crime and moral corruption on a very large scale. I'm overwhelmed by it, and I'm amazed otherwise that people are not rioting in the streets against it. The level of outrage is not as high as it should be."

Remarkably, despite the efforts of the zealous and politically savvy Mr. Giuliani, an appointee of President Ronald Reagan, state and city Republicans have declined to go on the offensive against the Democratic machine.

Indeed, the Republican leader of the state Senate, Warren Anderson, tried unsuccessfully to block ethics legislation in the spring and managed to thwart a limit on campaign contributions to city candidates.

Today, the mayor continues to insist that there has never been patronage in his administration, that his former chief of the Investigations Department is to blame for corruption not having been uncovered, and that apart from one agency — the Parking Violations Bureau — no systematic corruption has been found, only "individual acts of corruption."

"Is corruption pervasive in city government?" he asks. "No more than you would expect from any organization which employs over 300,000 people."

Nonetheless, when pressed, he acknowledges: "I let my guard down. When I came into office 10 years ago, people said the city was going to go bankrupt in 60 days, and therefore I had to do whatever had to be done so that would not occur. I felt I had to put together all these groups that were needed to win the battle to save the city of New York — the labor unions, the banks, the government people, public officials, politicians."

Machine politicians? "No question," he said. "During a mayoral runoff election campaign against Mario M. Cuomo in 1977, Mr. Koch recommended in his book 'Politics,' he made a secret visit to the Brooklyn Democratic boss, Meade Esposito, to ask for support."

Mr. Esposito, who was recently indicted for bribery along with Mario Biaggi, a Democratic congressman from New York, said later that a condition of his support had been that Mr. Koch appoint an Esposito loyalist, Anthony Arnerio, as commissioner of the 7,000-employee Transportation Department, even though Mr. Koch's panel had found him "unqualified."

The reason so much land in the Bronx lies fallow is that Mr. Friedman and his allies vetoed any development "when they didn't get a piece of the action," Mr. Ferrer added.

The Parking Violations Bureau, which collects \$150 million in fines a year, was fertile ground for plunder.

During the Friedman trial, Deputy Director Geoffrey Lindenauer testified that any company that wanted a contract to collect parking

convicted of perjury and faces up to seven years in prison. A jury found that he had lied about a \$250,000 investment in a company to which he granted a license to operate a Hudson River ferry.

"We're talking about systemic problems — not just isolated problems — systemic, unethical conduct by government officials," said the Board of Estimate, which oversees the workings of the Parking Violations Bureau and has delved into other agencies. "You have systematic patronage where elected officials turn over blocks of jobs in agencies to political leaders to fill."

More than anyone, Mr. Manes, known as the King of Queens, and Mr. Friedman, the swashbuckling Bronx boss, personified the way the system has worked.

In addition to his other posts, Mr. Manes was member of the Board of Estimate, which approves budgets and contracts.

When Citicorps, a company seeking a computer contract, came to Mr. Friedman, he insisted on becoming majority stockholder and agreed to give Mr. Manes a cut of the business to get the contract approved.

Mr. Friedman was sentenced to 12 years in prison for his part in the Citicorps scandal. But many of his activities now considered ethically questionable were legal.

Mr. Koch, in his book, called him "one of the smartest, ablest, most loyal people I know." Now, however, the mayor supports provisions in a newly passed state ethics bill that prohibit political bosses from doing business with the city.

Mr. Friedman's power extended far beyond the Bronx.

In the case of the \$10,000 phone call, Mr. Manes had been delaying city leases before the Board of Estimate to pressure the city into renting more office space in Queens.

But Mr. Friedman's client wanted to lease office space to the city in Manhattan. All it took was Mr. Friedman's phone call to Mr. Manes to get the lease.

Noncompetitive city contracts account for \$2 billion a year, 40 percent of all city contracts.

"Our audits show that Koch has run a system that was an invitation to steal," said Mr. Regan, the state comptroller. "There were no records, no numbers. Nobody in city government can tell you how many no-bid contracts were awarded last year, who got them, or how much they were worth. We guess there are a maximum of 2,000, a maximum of 5,000."

After the scandals broke, Mr. Koch set up two boards to screen no-bid contracts for favoritism.

But Mr. Regan said the contracts were still not computerized to enable public scrutiny and that the system had not been changed to give the Board of Estimate final approval.

The board, made up of Mr. Koch, the city controller and the five borough presidents, operates

on the outskirts of the resort town of Porto Azzurro.

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# Japan Warning Its Tourists To Beware in Perilous City

New York Times Service

TOKYO — As the Japanese government sees it, New York City is a dangerous place, filled with muggers, con artists, thieves and cheats waiting to take advantage of unsuspecting visitors from Japan.

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WASHINGTON — The government of Nicaragua appointed mostly its own supporters to the National Reconciliation Commission required by the Latin American peace accord and is only paying lip service to the accord, the U.S. State Department has asserted.

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INTERNATIONAL Herald Tribune

Toward the Treaty

Two Steps Forward

In a curious speech on Wednesday, President Reagan challenged the Soviet Union to be more open about military spending...

charges of Soviet cheating. These critics have a point. The number of missiles the Russians have deployed in Europe is quite accurately known...

The more important question is whether the benefits of a medium-range missile treaty outweigh the risks. The administration, despite its previous frenzy over Soviet cheating, has judged correctly. They do.

—THE NEW YORK TIMES.

A German Decision

The pace is quickening in efforts to consummate a first arms control agreement in the Reagan-Gorbachev era and to make possible another, perhaps early summit between the two leaders.

It fell to Mr. Kohl to act because of the peculiar role that the Federal Republic plays in Soviet-American negotiations on a treaty to eliminate all of both powers' intermediate-range missiles.

Mr. Kohl did not want West Germany—or, within the German political scene, himself or his party—to bear the onus of obstructing an agreement important to West Germany's chief partner.

The debate over removing missiles of this class has always hinged, in a technical sense, on the issue of "coupling." If this class is removed, the argument goes, it may knock out a key rung of the ladder of flexible response.

The White House has now modified its terms, cutting down on short-notice challenge inspections. Its reason: The Soviets have now agreed to no missiles, a condition easier to verify than the previous position of retaining 100 on each side.

As Foreigners Back Off

Again the dollar's exchange rate has been sliding downward, conveying a message that Americans don't want to hear. The slide is another signal that the United States is borrowing too much and spending too much on current consumption.

The dollar sank low last May, then was buoyed by fears of trouble in the Gulf and of the possible effects of another oil crisis on Japan and Europe.

Consumers' spending, the U.S. government reports, rose rapidly in July for the second consecutive month. It went up faster than the same consumers' incomes, which means that they were saving less than ever.

uning, and the United States as a society is not saving nearly enough to provide for the business investments necessary to keep the economy growing. The shortfall has been made up by foreign investors, but some time ago, with the growing American debts and the comparatively low American interest rates, they began backing off.

The Reagan administration's economic policy is going to be remembered for its easy toleration of its crashing inconsistencies. The most familiar example is the inconsistency of a balanced budget, higher defense spending and lower taxes.

There is doubtless a better way to steady the dollar and balance American trade, but no one seems to be looking for it very hard.

—THE WASHINGTON POST.

Other Comment

More Repression in Kenya

The detention without trial of Paul Amia, a Kenyan journalist who supplied the Western press corps in Nairobi with court reports on politically embarrassing cases, is another worrying sign in a country which was once seen as an exemplar for African democracy.

Its record of intolerance in dealing with political dissenters was well documented in last month's report by Amnesty International, which chronicled allegations of the arrest of hundreds of possible dissidents over the past 14 months, the unfair trial of some 70 people who had been tortured to extract false confessions, and the detention without trial of those who refused to con-

less. What is disquieting to Kenya's friends is the widening of President Moi's intolerance to any political opposition.

—The Times (London).

A Lull on the Deficit Front

Official Washington continues to worry about the federal budget deficit without any sign of consensus soon on what finally will have to be done about it. Most economists dismiss President Reagan's call for a constitutional amendment mandating a balanced budget as unworkable.

—The Chicago Sun-Times.

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OPINION

Gulf Policy: Send a UN Task Force to End the War

By William R. Polk

VENCE, France — Even more dangerous than the mines floating in the Gulf are those that the Iranian revolution has begun to sow throughout the world.

Historians and former planners of U.S. policy, like this writer, enjoy the luxury of saying "We should not have done X and should have done Y." Such reflection has its value, but we have a more immediate task.

When America's NATO allies refused its request for assistance to help sweep the Gulf for mines, it rushed headlong in, even without adequate anti-mine protection.

cost the United States dearly in dealing with allies in the past. Often it has said, in effect, "Get out of the way. We will do the job."

The Reagan administration asserted that navigation on the Gulf was vital to American national interest. Is it? The statistics cast doubt.

What is America's interest? Freedom of the seas? Yes, but it is neither America's exclusive interest nor one of uniform importance.

Why did Americans rush in? The timing suggests that it was to keep out the Russians. The Reagan administration is still unwilling to acknowledge either that the Soviet Union is a world power or that there may be places in the world where the two powers can profitably cooperate while they peacefully compete.

This is a trap the United States has built for itself and into which it has fallen before. It occasionally does what it really does not wish to do because it is afraid the Russians will.

Indeed, by successfully keeping out the United States from a position to offer inescapable alternatives so that when, as most often happens, American policies fail or are not fully satisfying, governments in the Third World can switch sides.

Gulf Policy: Mine Iran's Waters and It Will Relent

By Les Aspin

The writer, a Democrat from Wisconsin, is chairman of the Armed Services Committee of the House of Representatives.

WASHINGTON — The United States has three options in the Gulf: clear out, retaliate against Iran or stand there and let the Iranians pummel us.

The option of clearing out was debated at length and rejected in the House of Representatives in July by a 2-1 margin.

Standing there and letting Iran pummel us is current administration policy. It raises the odds that one of these days a mine or a terrorist bomb or some other attack will take a heavy toll of American lives.

Retaliation is the course we should follow. Right now, Iran risks nothing by kicking us here and punching us there. Its campaign of mining the Gulf coast is free. There is no reason why it should not continue to place mines — and eventually it stands a good chance of sinking an American warship, with the loss of possibly hundreds of lives.

The United States needs to show Iran that mining is not cost-free, because as long as it is, Tehran has every reason to keep doing it.

How might we rationally retaliate? Iran has a great idea: mines. If an "invisible hand," to quote Mir Hussein Mousavi, the Iranian prime minister, can plant mines on the western side of the Gulf, where our ships sail, then some other invisible hand could plant mines on

the eastern shore, where all the vessels are under Iranian control.

The key point to remember is that we are not running out of choices to turn every time Iran hits us. America must communicate the will to respond in a way that will hurt the Iranians.

Retaliation, however, is not a complete policy. We need to hold out a carrot and a stick. The stick is retaliation. The carrot is a proposal to let Iran achieve what it wants — a reduced superpower presence in the Gulf — if it acts more responsibly.

The United States should tell the Iranians that every few months it will review what is happening in the Gulf region. Have more mines or fewer been found? Are attacks on shipping increasing or decreasing? Is the Iran-Iraq ground war building up or slackening? Has some new old one gone awry? Or have some old ones gone awry? If life is turning quieter, then

America will have a good reason to ratchet down its presence.

There is one more thing to do: Build pipelines. Iran gains leverage in the Gulf region because the Strait of Hormuz, through which so much of the world's oil passes, has strategic significance.

Three pipelines could carry most of the oil produced by the Arab states of the Gulf to points outside the strait. That would leave Iran as the one Gulf state dependent on the strait. Then the strait would become a source of leverage against Iran rather than for it.

But Washington needs to move quickly. Iran is talking with Moscow about converting an old gas pipeline into an oil pipeline to carry Iranian crude to the shores of the Black Sea. That pipeline could carry half of Iran's current oil exports. A policy of retaliation under-

standably garners the most attention. When the word is mentioned, most people think of air raids, such as the U.S. raids on Libya last year.

It would not be a good idea to attack Iran that way, because the nation thrives on martyrdom.

The Khomenei regime uses one of the oldest political tactics: It attracts support despite inept domestic policies by utilizing a foreign foil. We are that foil. Is inflation harming Iranians? The Americans are responsible.

If the United States shows Iran that Americans are willing and able to make it pay a price, it will back off quickly. In 1984, Iran sent aircraft across the Gulf to harass Saudi Arabia. The Saudis shot down one Iranian fighter — just one. Iran's air force never returned. America should learn from that experience.

The New York Times.

Balancing the Budget: The Framers Had Tricks

By Herbert Stein

The writer, an economist, is a member of President Reagan's Economic Policy Advisory Board.

WASHINGTON — I have learned one thing about the U.S. Constitution: The framers were great comedians. They had strong views, but they were willing to bend when necessary to establish "a more perfect Union" or, as we say in our household, a more nearly perfect union.

When they disagreed about whether to count slaves as part of the population for apportioning seats in the House of Representatives, they compromised on counting each slave as three-fifths of a person.

Why can't we be as reasonable and accommodating? I have in mind the proposed constitutional amendment requiring a balanced budget. This perennial bilge hangs around, and we are unable to adopt it or reject it.

First, provide that the budget must be balanced in all years when the Republicans control the White House and Congress, but not in other years. This seems fair, because the Republicans are the ones who most want the

amendment, or so they say. Voters who care a great deal about balancing the budget can get their way by electing Republicans. This should also appeal to the Republicans, because they believe that "the people out there" really want to balance the budget.

Second, provide that tax revenues must equal total expenditures in excess of \$200 billion a year. In other words, define a balanced budget as a budget with a deficit not in excess of \$200 billion. This would relieve the president and Congress of any trouble for several years. But after a few years, every additional dollar of spending that would make the deficit bigger than \$200 billion would have to be paid for by taxes.

Such discipline is a main reason for wanting to balance the budget. The discipline should apply to new decisions that would raise total expenditures. There is no need to go through the painful business of paying taxes for the expenditures that have been made inevitable by prior decisions.

Third, provide that the budget must be balanced but that each dollar of expenditures should count for only three-fifths of a dollar, or

60 cents. Outlays for this fiscal year are estimated at \$1.01 trillion, with revenues of \$853 billion and a deficit of \$157 billion. If this compromise proposal were adopted, we would count only three-fifths of the expenditures, or \$606 billion, and have a surplus of \$247 billion.

This proposal is modeled on the 1787 compromise about counting slaves. But it has other logic as well. As everyone knows, a good deal of the money the government spends is wasted. A good guess is that two-fifths is wasted. The taxpayer should not be required to pay for the waste part. This proposal would require taxpayers to pay only for what they get.

Fourth, provide that the budget must be balanced annually starting in 2008. This, of course, is modeled on the original constitutional provision about the importation of slaves. The proposal would serve the interests of politicians and economists. The politicians do not want to have to balance the budget while they are in office. The economists do not worry about deficits this year, or in any particular year or series of years. They only want to be sure that deficits do not go on forever.

Other compromises are possible. These are offered only to stimulate the thinking of those who might devise more ingenious and satisfactory solutions. The point: If today's statesmen would adopt the tolerant attitudes of the framers, something could surely be worked out.

The New York Times.

Angola: The New Language Deserves a New American Policy

By Gerald J. Bender

LUANDA, Angola — For the last two years, the Reagan administration has urged the Marxist government of Angola to reform its economy and, as a condition for an end to United States aid to the anti-government rebels, has demanded the removal of Cuban combat troops.

In a bold move this month, the Angolan president, José Eduardo dos Santos, announced dramatic economic changes and presented the United States with a new plan for the withdrawal of the Cuban forces.

With these two initiatives, Mr. dos Santos has placed the ball clear-

dos Santos, however, also placed blame on party and government ineptness and mismanagement.

There is no doubt that the Portuguese left the country unmanageable. In addition to destroying infrastructure — transportation systems and the product distribution system — Portugal did not train more than a handful of Angolans to manage a modern society.

President dos Santos, responding to the Portuguese living in Angola — including more than 30,000 skilled technicians — abandoned Angola al-

need for 200,000 tons of grain by next April to avoid catastrophic starvation and malnutrition in rural areas.

Angola has issued an urgent appeal for \$116 million in food aid, yet the request was received coolly by the United States which, since early 1986, has joined South Africa in supporting UNITA's war efforts.

The State Department spokesman, Charles Redman, responded to the Angolan appeal by noting Washington's concerns that Luanda has spent an increasing amount of its foreign exchange on the purchase of arms.

Washington has thus put the Angolan government in a catch-22 situation by providing a total of approximately \$30 million in military aid to UNITA even as South Africa's support for the guerrilla forces, led by Jonas Savimbi, has reached about \$200 million a year. This has led to an escalation of the war and has contributed to the worsening economic situation in Angola.

Nonetheless, the Angolan government's response of buying more arms to protect itself is cited by Washington as a reason for possibly denying the nonmilitary aid that could help alleviate the starvation and malnutrition that is plaguing the country.

Increased defense expenditures, combined with a drastic reduction in foreign exchange caused by the sharp drop in oil prices, have forced the Angolan government to adopt some of the most stringent austerity measures in the Third World.

Imports of food and clothing have been reduced by half, and the amount of basic materials used in rural factories has been cut by two-thirds. Unable to further reduce the import of necessities, the government has looked inward — toward drastic reforms — to find the solution to its economic malaise.

Mr. dos Santos has underscored the need to open and encourage private

initiatives in many areas, including retail trade, transportation, construction, farming, cattle-raising and elsewhere throughout the service sector.

In most Marxist systems, including the Soviet Union's and Cuba's, which are accused by American conservatives of colonizing Angola, the ruling party has dominated almost all governmental and economic activities. President dos Santos advised members of the Popular Movement for the Liberation of Angola not to confuse the party's role to set overall guidelines with the daily functions of the government and the economy.

The Angolan president is often accused of being indecisive. But he strongly criticized the government and the ruling party, which he heads, for the current economic stagnation. In launching Angola's own version of glasnost, he seems to have gone even

further than his Soviet counterpart, Mikhail Gorbachev, in trying to decentralize economic planning and to encourage private enterprise.

With these last economic and diplomatic initiatives, Angola has demonstrated that it is flexible. These actions are signs of a major triumph of moderate forces over ultra-leftists within the ruling party. Mr. dos Santos showed considerable courage. Now it will be interesting to see if President Reagan can muster the same courage to take the steps necessary to register his first diplomatic success in southern Africa.

The writer is director of the School of International Relations at the University of Southern California and a former president of the Los Angeles-based African Studies Association. He contributed this comment to the International Herald Tribune.

IN OUR PAGES, 75 AND 50 YEARS AGO

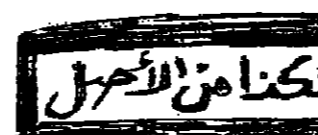
1912: Balkan Tensions

CONSTANTINOPLE — With the exception of an occasional exchange of shots on the Montenegrin frontier, to which no importance is attached, the situation remains stationary. It appears that Montenegro is prepared to arrest her military preparations, provided the Porte undertakes to withdraw Turkish troops from the frontier region. In official circles it is declared, however, that the presence of Turkish troops is necessary to keep the Albanians in check, otherwise they might attack the Montenegrins.

PARIS — The French government, in conjunction with the British government, which has been informed that an expedition is fitting out with the purpose of proclaiming the annexation of Samos to Greece, and the Russian government, has decided to make representations in Athens in favor of the status quo at Samos.

1937: 500 Die in Raid

NANKING — It was officially estimated late tonight [Aug. 27] that five hundred persons, of whom the majority were civilians, were killed and wounded in this morning's Japanese air raid on Nanking. WASHINGTON — American rights and interests in the Far East must be scrupulously respected, Secretary of State Cordell Hull has warned China and Japan. Although the contents of the notes were not disclosed, the warning is believed to have no doubt about the determination of the United States to protect its own rights and those of its nationals in China, and to hold Japan and China responsible for all damage and injury. SAN FRANCISCO — Police were guarding Japanese shops in San Francisco's Chinatown today, where anti-Japanese feeling spread and disturbances were feared.





OPINION

Opinionista

Don't Laugh at Reagan For Changing His Tune

By Tom Wicker

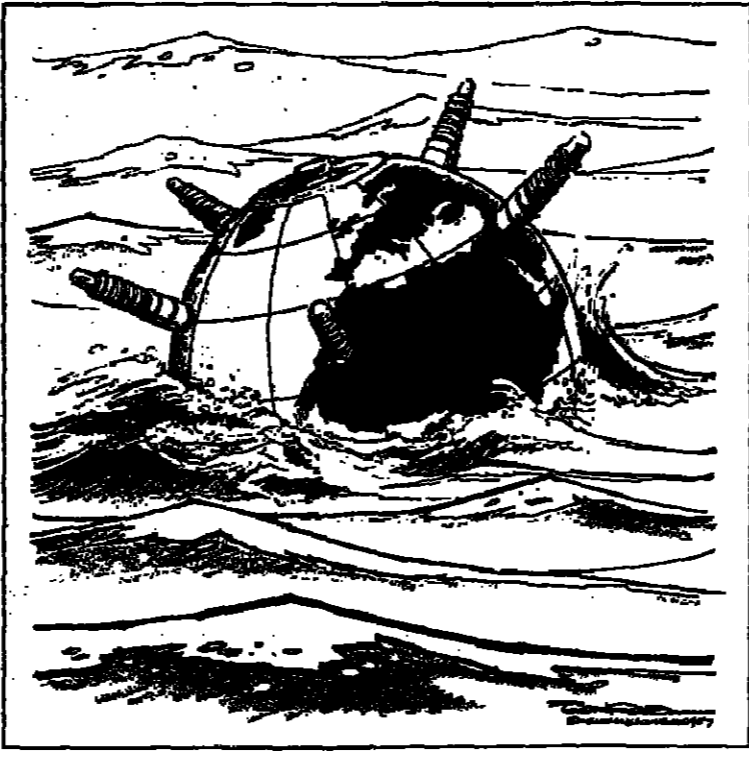
NEW YORK — President Reagan has decided to back away from his tough-guy demands for on-site verification of the proposed Soviet-American treaty banning medium- and short-range missiles. Advocates of arms control, if tempted to laugh in derision, should stifle the impulse. The temptation may arise because on-site inspection has been for so long a club with which hard-liners liked to beat the Russians over the head. Now it is the United States refusing to accept such inspections on its territory, and for the same reason that the Soviet Union used to give — they would offer opportunity for spying by the other side. The inspections that Mr. Reagan originally proposed may well have been offered because his administration at one time believed that the Russians never would accept them — so no treaty could be agreed upon. That would be in keeping with the record as far back as the Truman administration, when the so-called "Baruch Plan" for international control of nuclear weapons included intrusive inspection provisions that Stalin's Soviet Union obviously would not accept. Nevertheless, the temptation to laugh has to be resisted. Mr. Reagan's about-face is more than an important step toward the medium- and short-range missile treaty. It will also improve prospects for more far-reaching agreements by helping a suspicious American public to understand that what President Nixon called "adequate" — not infallible — verification suffices for national security. The inability of Nikita Khrushchev's government and the Kennedy administration to agree on the number of permitted on-site inspections prevented conclusion of a comprehensive test ban treaty a quarter century ago. On-site

Keep the Guard Up

THE new U.S. plan for monitoring a pact with the Soviet Union on short- and medium-range nuclear missiles, which includes less stringent verification procedures, raises an obvious question. With whom does the administration think it is dealing? These are the Soviets, Mr. Reagan, that "evil empire" you were telling us about not so long ago. It would be well to keep that in mind. America is entering a dangerous period in arms negotiation with a country that has not hesitated to break or circumvent an international agreement when that seemed to be to its advantage. If the Soviets really want this treaty, they will accept the latest U.S. proposals on verification. Naturally they will haggle over minor points. But in the end they will sign. All any administration can do when the treaty goes into effect will be to fasten the seat belts and keep its guard up. — Syndicated columnist Drew Middleton.

inspection again was a primary problem when President Carter almost — but not quite — negotiated a similar treaty. In both cases, the Soviet Union had accepted the principle of on-site inspection, although that seldom has been acknowledged in the United States. The Reagan administration's spokesmen have explained that Soviet agreement to a worldwide ban on medium- and short-range missiles, with neither side retaining any such missiles in reserve, eased the verification problem for the proposed treaty. The administration had promised to water down its verification demands if the Soviet Union agreed to the total ban, and thus it has withdrawn a proposal for each country to station inspectors outside missile production and assembly facilities on the other's territory. That does not explain, however, the president's willingness to limit sharply his previous proposals for "challenge inspections" on short notice at the site of suspected treaty violations. Those proposals would have allowed either side to have access, virtually on demand, to a wide range of defense facilities on the other's national territory.

The Washington Post quoted an unnamed "senior U.S. official" as explaining that American intelligence agencies, including the CIA and the FBI, believed they had been "snookered" into going along with the possibility of such inspections on U.S. soil. Administration conservatives, this source said, had persuaded the agencies that the Russians would not accept the challenge inspections. Moscow surprised the administration by accepting again the principle of such inspections, although it had not agreed to specific U.S. proposals. American intelligence agencies thus feared that further negotiations might result in Soviet inspectors gaining access to sensitive defense installations in America. Britain and West Germany also objected to extensive on-site inspections on their soil. Thus the new U.S. proposals limit challenge inspections to a small number of medium- and short-range missile sites — all in the Soviet Union or the United States — and only for five to 10 years after the destruction of the missiles. These developments offer the best evidence yet that President Reagan, despite his militant remarks in Los Angeles on Wednesday, really does want to climax his administration with an arms control treaty, and is willing to make pragmatic adjustments in his long-held positions — which seem more instinctive than reasoned — in order to achieve it. That is why arms control advocates have more reason to applaud than to laugh. Conservative hard-liners, naturally, will shriek and scream "betrayal." But it will be hard for them to convince the rest of America that Ronald Reagan is soft on communism or national security. — The New York Times.



Take It From Memah, Blending Has Limits

By Janet Shilling

NEW YORK — Recently, I have become aware that I am missing a lot and that each day I fall further behind. It's not that I don't understand the issues under discussion and am therefore overwhelmed by the enormity of the problems facing the world. They are, after all, merely updated versions of the same old issues that have always been around: plague, pestilence, famine, war, sex, drugs and rock'n'roll. It is not even that I am a member of a group whose opinions are rarely sought by the public and so am suffering from a larger dose of powerlessness than usual. We the middle-aged, middle-class housewives of America were never in the vanguard of the movers and shakers. But more and more lately I don't understand words. They are gradually being completely replaced by jargon. I am not referring to teen-age slang, which changes almost daily. (Nerd and geek are code words of a group that would ignore my existence in any circumstances.) I am referring to adults allegedly communicating information to other adults. Jargon is proliferating at a scary rate. Next to money, jargon is

repealed, to my knowledge. My solution is called SCWAWRP. The word lacks the sparkle of CARE, NASA or SEATO, but will have to do. A catchy acronym is vital for getting new jargon off the ground. If pushed to the wall, I might claim that the letters stand for Senseless Contortion of Words and Abstractions Without Reason and Point. The fear of sounding ridiculous is a stumbling block almost impossible to overcome. After all, as a middle-class, middle-aged house (memah) reared in a simpler linguistic tradition, the handy all-purpose reassuring cliché (farce) is more my métier. But it must be overcome. Under the new rules, the more obscure the nomenclature, the better. Here is an example of how SCWAWRP can be utilized to upscale even the most tedious of descriptions: the restriction in the morning (firam). First thing in the morning (firam), I engage in preparing combustion (preproc) or, alternatively, nutrient deprivation relief (nurd) prior to detouring and relieving the family's garment necessities. While the wash is in the machine, I open myself to megamedia saturation, inputting audio, video and print modes so I that might better be prepared to grasp experiential data. For lunch, in hopes of recycling some leftovers, I attempt redemption of nutrients by liquefaction (rem). If rain falls, as it often does because a blender can't work miracles, I de-ecologize in my sanitational mode, especially on Tuesday, when the garbage makes its rounds. It sounds awful, doesn't it? But it is my worst than hearing that someone you love is booting up his DOS and formatting his hard drive, bytes and megabytes. I had a dream, a nonconscious ephemeral manifestation (acem): It was not as lofty as some, but then, neither am I. I dreamed that I was asked an opinion about something more lasting than last night's dinner (prepsup) and I gave that opinion in pure SCWAWRP. Where at first only bare civility and bored patience toward an understanding memah existed, suddenly attention was paid. Eyes sparkled. Note pads were produced and every meaningless syllable was recorded for an avid postscript (fugen) as I babbed abbreviations, bastardized words and synthesized never-heard combinations of prefixes and suffixes. My dream was replicated almost exactly on the 6 and 11 o'clock news, but this time it started three statesmen. Not every dream that comes true should come true. — The writer is a former English teacher in Brooklyn, N.Y. She contributed this lament to The New York Times.

MEANWHILE slummy stacks of ideas and makes them seem like high-rise concepts. Jargonists extend a form of professional courtesy to other jargonists, much like doctors and malpractice lawyers. Thus, people from different backgrounds can work together on committees from which a whole new unintelligible vocabulary will emerge. It is not only that I feel ignorant, alienated and irrelevant. I am jealous as well. So I have solved the problem of being a silent member of a jargonless and therefore voiceless subculture. It is based on the law that if you can't beat them, you join them — a statute never

ROY BOWEN WARD, Department of Religion, Miami University, Oxford, Ohio. It is a pity that articles like Mr. Yardley's were not printed during the '60s, when the print and electronic media were in lockstep in praise of "new social awareness" and the "cultural explosion." How often pictures of drug addicts appeared on covers of weekly magazines. How often the word intellectual was used; almost anyone could be one during that decade. Rational debate had little meaning since the phrase "That is not relevant" could refute any argument one did not agree with. Much of the spirit of the '60s still lives. The British send America their musical wonders, kids are still trying their brains and many of the era's "flower children" can be found on the sidewalks of New York, San Francisco and Hollywood. L. BELL, Vienna.

LETTERS TO THE EDITOR

Mecca: All Blame Shouldn't Fall on Iran

In response to the opinion column "An Eyewitness Account of Mecca's Bloody Afternoon" (Aug. 24) by Muzahhid Hussain:

While the international press has at times tended to blame the Khomenei regime and, unfortunately, the Iranian people for actions that cannot justifiably be attributed to them, there can be little doubt that the present Iranian government has repeatedly tried to use this holy occasion to present its political messages to Muslim pilgrims. According to Mr. Hussain, Iranian demands this year, during the negotiations with Saudi officials before the demonstration, were substantially the same as in previous years; and Saudi riot police provoked trouble by stopping the Iranian procession, which had hitherto remained peaceful, some 500 meters from the agreed-on termination point. If so, then the Saudi government must also be held responsible for what happened. MORAD KHAWARY, London.

The death of Iranian faithful may be used as a reason for a revenge attack, not only on embassies in Tehran but on Saudi Arabia, Kuwait, the United States or some other enemy of the Islamic revolution. And the Khomenei regime could not be allowed to get away with an attack on a third country unpunished. But in view of the ability of Ayatollah Ruhollah Khomeini to turn such events around in his favor, all punishments, including military action, would have more drawbacks than advantages. Instead of being intimidated by the ayatollah, the solution is for Iran to be governed by a moderate, democratic regime — and the only force that can further the cause of peace and moderation in the region is the people of Iran. M. AFSHIN, London. Of the 19 paragraphs comprising Mr. Hussain's article, not more than nine could have arisen from the direct observations of the writer. Of these nine it is difficult to assess the validity because the writer did not provide the contextual framework through which he compiled his account — whether or not he speaks Arabic or Persian; where he was positioned during the melee so as to be able to see the events so clearly; and what name, if any, he interviewed before reaching his conclusions. Also this account of the unfortunate events of July 31 failed to shed light on the following questions: Why did the Iranians hold unlawful demonstrations at Mecca during the Holy Pilgrimage of more than 2 million Muslims dedicated to prayer and meditation? By the writer's account, the Iranian leadership rejected three conditions under which the Saudi authorities would sanction the demonstrations. Why was no documentation cited evidencing the so-called preliminary arrangement between the Saudis and the Iranians permitting demonstrations and flag burning? Such tentative agreements would certainly have been recorded as required by the Koran. Why did the Saudi authorities watch the procession for one hour and halt it

only when the demonstrators had virtually reached the termination point? In what language did the Saudi security guards and the Iranian demonstrators exchange "hot words"? Who initiated the "scuffles"? Who threw the stones and bricks at the Saudi security guards from the second and third stories of the parking facility? Did anyone, besides Iranians, have any thoughts on this? How exactly did the approximately 130 non-Iranians die? What percentage, if any, sustained bullet wounds? How exactly did the 275 to 400 Iranians die? What percentage of them, if any, sustained bullet wounds? Did anyone see shots fired? Are any relevant medical or hospital reports available? Were any demonstrators armed? KHALID AL-MANSOUR, London.

The Spirit of the '60s

Regarding "The '60s Again? No, Echoes From a Forgettable Splurge" (Meanwhile, Aug. 5) by Jonathan Yardley: Where was Mr. Yardley during the 1960s? I was in the Midwest as a professor at Miami University. Before that era began in 1965 (to use Mr. Yardley's chronology), our students were self-indulgent, especially in the fraternities and sororities. Sometime after 1965 they became serious and committed to something other than their self-interest. Mr. Yardley is correct that the civil rights movement predated the '60s, but it was not until after 1965 that our students joined the movement, forcing the university to reverse its policies and practices.

GENERAL NEWS

Reagan Seeking the Offensive Speech Is Seen as Response to Gorbachev Initiatives

By R.W. Apple Jr. NEW YORK Times Service WASHINGTON — President Ronald Reagan gave a speech without a punch line Wednesday, a speech that seemed to be building up to the disclosure of some important development in relations between the United States and the Soviet Union, but did not. Mr. Reagan's review of East-West affairs was far more balanced than those he delivered on the subject four or even two years ago. But it reflected ingrained skepticism about the possibility of doing business with the Kremlin, even at a time when arms negotiations seem to be going well and the new Soviet policy of *glasnost*, or openness, seems to some Western analysts to offer rich opportunities. "While talking about reforms at home, the Soviet Union has stepped up its efforts to impose a failed system on others," Mr. Reagan said. But only a few sentences later he also said: "We are also seeing a new Soviet leadership that appears more willing to address the problems that have divided East and West so long and to seek agreements based on mutual benefit."

NEWS ANALYSIS

tion wants to see further progress at the Geneva arms control talks before conceding that an agreement is near and before beginning to talk openly about the prospect of a Gorbachev visit. "We are hopeful that the Soviet Union will demonstrate that there is substance behind the rhetoric they have repeated so often of late," Mr. Reagan said of the talks on medium-range missiles. "If so, they will meet our proposals constructively rather than erect additional barriers to agreement." Early this month, a Soviet arms negotiator, Aleksai A. Okubkov, said his country would consider a proposal under which the Pershing-1A missiles would be scrapped when obsolete. That, in effect, is what Mr. Kohl proposed, and many American arms control experts say they believe that the West German leader has opened the way to an agreement. Some Reagan administration policy makers said, however, that they were puzzled and irritated by Mr. Kohl's move, because it appeared to undercut the adamant insistence of the United States that the Pershing-1A missiles could not be part of the

Belgian Excludes NATO Post

BRUSSELS — Foreign Minister Leo Tindemans was quoted Thursday as saying he was not a candidate for the post of secretary-general of the North Atlantic Treaty Organization. His comments, in an interview with the Flemish newspaper De Standaard, followed the announcement Wednesday that West Germany was nominating its defense minister, Manfred Wörner, for the top NATO job. Mr. Tindemans, 65, said he was aware of rumors that he was interested in succeeding Lord Carrington as head of NATO

next year, but added: "I have never been a candidate, and I do not plan to be one. Why should I? I find it fascinating." Lord Carrington will step down in June after four years as secretary-general of the 16-nation alliance. His successor may be named at a meeting of NATO foreign ministers in December. Mr. Tindemans, a former prime minister, praised Mr. Wörner's knowledge of military affairs but declined to say whether he would have the backing of Belgium. So far, the only other declared candidate is Kaare Willoch, a former Norwegian prime minister.

EUROPEAN TOPICS

Jews Massacred in '46 Honored in Poland

Hundreds of Polish and American Jews gathered in the southern Polish town of Kielce on Sunday to dedicate a monument to 42 Jews who were massacred on July 4, 1946, a year after World War II ended. They were among the Holocaust survivors who had returned home in the hope of finding relatives, only to be killed in what is sometimes called Europe's last pogrom. Ninety-nine percent of Kielce's Jewish population of 27,000 died in the war.



PRECOCIOUS PUNK — A model displays dolls adorned with punks' tattoos and chains. They are to be shown at a consumers' fair opening Friday in Hamburg.

The 1946 killings were said to have been sparked by a rumor that Jews had kidnapped a Christian boy to get blood for matzoh, the unleavened Passover bread. The ceremony was the result of a campaign by William Mandel, a death camp survivor. He returned to his native city six years ago and was shocked to find that the Jewish cemetery, where the remains of the 42 victims lie, was an abandoned plot of land on which children played among the graves. Mr. Mandel spent six years wrangling with the Polish authorities and raising funds to clean up the cemetery and erect the simple stone monument, carrying the writing in Polish: "Here rest the ashes of the 42 victims of the Kielce events. Honor to their memory." The ceremony marked the 45th anniversary of the beginning of the deportation of Polish Jews to the death camps of Treblinka, Belsaz and Sobibor.

Around Europe

The Greek government has withdrawn a law transferring the Greek Orthodox Church's land and property to farm cooperatives and government authorities. Church officials called the decision their "first victory" in a show of strength with the government. The law, which was adopted by Parliament in April, called for the expropriation within six months of 350,000 acres (about 140,000 hectares) of forest and farmland owned by 470 monasteries and convents. The Orthodox bishops, opposing the takeover, had appealed to the State Council and threatened to sever the church's links to the state if the conflict was not resolved by Oct. 1. The minister of education and religion, Antonios Trivis, said the law was withdrawn to allow the government to modify it.

force. Luis Roldán, the head of the Civil Guard and first civilian ever to command them, said 150 women would be recruited early next year to work in areas of intelligence and administration. Mr. Roldán said his plan to modernize the Civil Guard also included new uniforms for the force, and the guards' three-cornered black hats would be replaced by hats similar to those worn by the army. During the Franco dictatorship, the Civil Guards' hats became a symbol of repression to many Spaniards.

from Spain. Sixteen Turks climbed out of the back of the Renault-4, a tiny van about the size of an elevator. It took two police vans to take the 14 men and two women, all illegal immigrants, to the city police station.

Power to the Parents In Scottish Schools

Scottish parents may soon be given extensive power to run the schools their children attend. Michael Forsyth, Scotland's education minister, has outlined a plan to establish school boards in which parents would hold a majority and would be involved in all aspects of running the school. They would also be represented on senior staff appointment committees. The boards would have the right to veto the appointments of principals and to control expenditures and the use of premises out of school hours. Every school with more than 100 pupils would have a board of seven to 13 members, depending on the school's size. Mr. Forsyth said the proposals were "revolutionary" and responded to "the demand from parents for more say in the running of their schools." Mr. Forsyth said he hopes Parliament will approve the bill by next fall.

French border policemen stationed in Perpignan were in for a surprise when they checked small vans entering the country

For the first time ever, Spanish women will be allowed to join the Civil Guard, Spain's paramilitary

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Special reports

International Herald Tribune

# TRAVEL

- An Island Off Ireland
- A Grand Hotel in Zurich
- Garlic With Everything

## TRAVELER'S CHOICE

### Trans-Siberian Language School.

The vastness of the Soviet landscape has always caused problems for the traveler, ranging from starvation to boredom. To help solve the latter condition, English-speaking travelers may now study Russian language and Soviet culture, literature, geography and history while rolling through the Soviet Union on the Trans-Siberian Railroad on special 15-day trips that start and end in West Berlin. Travelers may choose different routes in the Soviet Union. For example, one itinerary includes Moscow, Irkutsk, Lake Baikal, Khabarovsk and Leningrad. There are altogether 30 hours of Russian instruction built into the program, which should, according to the organizers, enable students to hold basic conversations by the end. A tour costs about \$1,500, including the plane fare from Berlin to the Russian starting point, train fare, meals, hotel rooms, visas, Russian lessons and the return trip to Berlin. First-class train compartments cost about \$250 extra. For information contact the organizer, Hans Engberding, at Lernidee-Reisen, Eberstrasse 27, 1000 Berlin 62. Tel: (30) 784-4745.

### U.S. to Scotland Nonstop

Nonstop 747 service between Newark International Airport and Scotland is now being offered by Highland Express Airways, a new Scottish airline. The flights, eastbound each day except Monday, depart at 6:45 P.M. and continue from Prestwick Airport to Stannard Airport near London or to Birmingham on alternate days, for \$1 more. Westbound flights leave Prestwick at 1:45 P.M., also daily except Monday. Fares start at \$178 one way, for a ticket bought within 48 hours of departure. The return flight can be left open or booked at time of purchase. The unrestricted one-way fare, \$249 on weekdays and \$269 on weekends and \$1 more to London or Birmingham, drops to \$209 on weekdays and \$229 on weekends starting Sept. 16 for westbound travel and Oct. 1 for eastbound flights. Northwest Airlines, which provides the only other nonstop service between the East Coast of the United States and Scotland, offers four flights weekly from Kennedy International Airport to Prestwick and four more from Boston. Northwest responded to Highland Express's fares by offering a \$478 round-trip fare on weekdays, \$538 on weekends, for travel beginning Sept. 15. Tickets must be purchased 21 days in advance.

### Palace on Wheels

From the first week in October to the last week in March, travelers to India can book passage on that country's version of the Orient Express. The train, called the Palace on Wheels, consists of 13 private deluxe salon cars. Each belonged at one time to the maharajahs and viceroys of India, and sport velvet furnishings, ornamental ceilings, polished teak walls and carved wood furniture. Passengers travel for eight days and seven nights through the northern state of Rajasthan. After a ceremonial welcome at each station with music, traditionally garbed Indians and decorated elephants, passengers are taken from the rail station to historic sites and into local cities. The trip begins in New Delhi, goes on to the capital of the state and then to the ancient city of Udaipur, takes in five other cities and ends at the Taj Mahal. The train travels mostly at night so days can be given over to sightseeing. The whole trip costs \$920 double occupancy. Reservations can be made through travel agents or directly through the Rajasthan Tourism Development Corporation. Information from India Tourist Offices.

### Jewish Safe House in Holland

The Anne Frank House in Amsterdam is not the only building that recalls attempts to conceal and rescue Jews during the Nazi occupation. In Haarlem, a 20-minute train ride away, the small house of clockmaker Willem ten Boom was a center for hiding Jews. What happened at 19 Bartelhorst has been recorded by the clockmaker's daughter Corrie ten Boom in her book "The Hiding Place," and now the house is being turned into a museum, with the clock shop and ingeniously built concealed top floor authentically restored. The official opening is not until April next year, but it can be visited in the interim. Information from the Corrie ten Boom Foundation, P.O. Box 2237, 2002 CE Haarlem, The Netherlands.

### Korea's Cabbage Museum

America has a McDonald's museum and France a wine museum. Now, South Korea has a shrine to its national food: pickled cabbage. Called kimchi, the spicy, fermented vegetable dish is a breakfast, lunch and dinner affair. "A meal without kimchi," said one recent visitor to the new Kimchi Museum in central Seoul, "is not regarded by Koreans as a meal at all." But as fast-food chains have multiplied and sales of instant noodles have skyrocketed in South Korea, the long-time family tradition of growing the ingredients and preparing the kimchi has gone into decline. While kimchi culture is still pervasive in Korea, Lee Hoon-suk decided that its pungent lore must be preserved, so he rented an old mansion and opened the museum. "The young people do not like making kimchi now," Lee said recently as he showed a visitor the 36 plastic replicas of kimchi displayed in a glass case. There are 200 kinds of kimchi, but Lee says he only has 10 more models on order now. His worry is that kimchi is being replaced as a staple Korean food, and the rhythm of traditional life, marked by the change of the seasons and ripening of the cabbage, is being disrupted. "Kimchi has become a TV food," he said sadly.

### African Museum to Reopen

A \$73-million building to house the National Museum of African Art will open in Washington on Sept. 28. The museum, a division of the Smithsonian, has been closed since last summer when it moved out of a row of town houses on Capitol Hill. The new complex, almost all of which is underground, is near the National Air and Space Museum and will provide the African Art Museum with five times its previous exhibition area. The museum has a 6,000-piece collection including ceremonial masks from Angola, copper vessels from Lower Niger and small figures from Zaire. Among temporary exhibits set for the fall are textiles from West Africa, metal sculpture from Benin and "African Art in the Cycle of Life," a demonstration of how art reflects life stages.

# Rudyard Kipling's Country House



by Irvin Molotsky

WHAT a splendid Victorian Rudyard Kipling was. When he was not in India gathering material to give the British pride in their greatest imperial holding, he was elsewhere in the empire, even venturing to a former part of it and living for four years in Danmore, Vermont. But in the last three decades of his life, whenever he could, he went to that other great symbol of England, his country home.

Bateman's is in East Sussex in southern England and is now a holding of the National Trust, and while it is by no reckoning among the greatest of the English country houses, it is a fine old place and there are memories of Kipling and India everywhere.



Detail of leather paneling.

In every room, it seems, there is a book opened to that most evocative of Kipling poems, "Mandalay." My otherwise dependable guidebook, the Automobile Association's "Treasures of Britain," manages to grudge Bateman's just three and a half lines.

We were in East Sussex and Kent at just the right time, during the spring. It was in May and the fruit trees were in glorious white and pink bloom, and the ruffled flowers seemed to cover half the hills in the countryside.

Kipling lived in Bateman's, which is south of the village of Burwash, from 1902 until his death in 1936. By the time he bought Bateman's, he was already a famous writer, with "Kim," for example, appearing in 1901, "White Man's Boy" in 1899 and "The Jungle Book" in 1894. Great fans of Kipling will remember having read of Bateman's in his "Puck of Pook's Hill," written in 1906.

What these fans will see is a garden with two rows of lime trees, 13 trees in each line, that march out from the house as smartly as the colonial soldiers in "Gunga Din." The "Gunga Din" of our memory is, of course, the water carrier played by Sam Jaffe in the movie whose cast included Cary Grant. Poor Gunga Din, hoping to be a proper soldier himself, covering himself with glory and then being shot or, as Kipling put it, "a bullet come an' drilled the beggar clean."

The Kipling library is entered through a low doorway, and inside is a chair that was raised two inches so that Kipling could write and still look out the window to view a hillside. He would be unhappy today; now the view is of the parking lot for the cars of the tourists who come to visit the Kipling house.

The house, which is built of local sandstone, was probably completed in 1634, according to the guidebook, which describes it as representative of the finest form of domestic English architecture. The name of the first owner is not known, but local speculation is that it was built by a prosperous ironmaker of the day. Kipling's widow, Caroline, left the house, its evocative contents and its 300 acres to the National Trust when she died in 1939.

Kipling collected fine oriental rugs on his journeys, including an Anatolian prayer rug and a larger Samarkand prayer rug, and they are on the floors. To protect them from wear, visitors are given plastic covers to place over their shoes and women are asked to remove their high-heeled shoes.

There is a wolverine skin in front of the fireplace, and many model ships are in the room, some collected by Kipling and some by his father, John Lockwood Kipling, an artist, scholar and teacher. Kipling's father was a teacher of crafts at the Jeeleebow School of Art in Bombay, which accounts for Kipling's having been born in India and for his lifelong fascination with the subcontinent, for his longing for that road to "Mandalay," "Where the flyin'-fishes play, An' the dawn comes up like thunder outer China 'cross the Bay!"

"Gunga Din" and "Mandalay," both from 1890, came at a time when the British did not question their role of running other people's homelands. Kipling's books in the library reflect his interests: "Forty-One Years in India" by Field Marshal Lord Roberts, "My African Home" by E.W. Fielden and "The Foundation of British East Africa" by J.W. Gregory.

In a display case is a drawing by Kipling's father of their house in Lahore and nearby is a photo of the baby Kipling,

sleeping in a crib in Bombay. There are drawings by Kipling and illustrations for "The Jungle Book" by C.M. and E.J. Detmold.

In the dining room there is a wall covering with a tree-of-life motif with vines supporting birds and berries. The piece is thought to be English and it is obviously very old and a great curiosity. It is made of leather that has been stitched together before curing, so that the seams do not show, with the back covered with cloth and front with a thin sheet of metal foil, which our guide said was tin and the guidebook said was silver.

It was on the metal foil that the tree of life was painted and it evidently was the sensation of the neighborhood when Kipling installed it. He also told us that Kipling had one of the earliest cars in the district and that he installed central heating around 1910.

Thanks to photographs that accompanied a 1908 magazine article on Bateman's in the British magazine Country Life, the National Trust has been able to arrange the furniture as it was when the Kiplings lived there. East and West, old and new are placed near each other. Indian souvenirs abound, including relief sculptures by Kipling's father, antique bronzes and terracotta pieces that depict Indian scenes or deities.

In one room, china dishes and cups from Nanjing are shown in display cases, setting off a delict vase from the Netherlands. Chinese watercolors are illuminated by a Tiffany lamp, and a second Tiffany lamp is nearby. According to the National Trust, an early 17th-century walnut refectory table from France in the parlor is one of the house's best pieces of furniture, showing the influence of the Italian Renaissance on French design.

Dark woods predominate, especially walnut, but with lots of oak as well, and even with some space set aside to hold cabinets of Kipling memorabilia. The overriding impression that a visitor gets is one of warmth, of family, of raising children and reading aloud to them.

In one room there is a photograph of Kipling telling a story to a group of children who are clearly enchanted by him. The photo was taken aboard a ship while Kipling was en route to South Africa in 1902. What was he reading to them? Perhaps it was "Tommy," his lament for the soldier unappreciated by the civilians, even the proprietors of pubs, he is sworn to protect.

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Kipling's Sussex retreat, seen from the southeast; the writer's portrait at Bateman's and, below, his desk in the library.



Jonathan Poyer



Jonathan Poyer

## Shopping for Costa Rican Handicrafts

by Jeanie Puleston Fleming

NOT many countries seriously tempt visitors to take home gaily painted wooden ox carts, along with coffee pickers, or bowls, boxes and combs of woods that occur naturally in vivid purples and deep greens. But an ox cart — reduced in size from the original workaday model, and outfitted as a rolling mini-car — is probably the most typical item to take home from Costa Rica. Local artisans also make a variety of other items, many designed to show off the beautiful grains of the country's tropical hardwoods, others seemingly inspired by the supply of aged coffee trees.

Costa Rican artisans, like the woods they use and the works they create, span a wide range, but most welcome visitors to their workshops.

In the woodworking village of Sarchi, customers can watch teams of factory artisans assemble traditional ox carts. In home-studios, such as those of Rodrigo

Hernández or Barry Biesanz, visitors meet the artists behind the new designs.

At Sarchi, a little over an hour's drive into the hills northwest of San José, the manufacture of tea trolley-size ox carts and other wooden items has revitalized the community's economy.

Legend credits a Sarchi farmer with the first painted ox cart, but today the *carreta* is a national symbol, displayed in shop windows, restaurants and front gardens and in tourist brochures throughout the country.

Displays of woodwork in Sarchi range from a few trays, lamps or chairs in a woodworker's front yard to two major showrooms. In front of the Joaquin Charverri ox-cart factory sit several colorful *carretas*. Inside is a large L-shaped display room open seven days a week, with painted carts (from \$100) and carts with natural-wood inlays (\$116 to \$190) among the wood products. On the grounds, carvers and carpenters prepare the cart frames for painters who work in an adjacent atelier on weekdays and Saturday mornings.

One of the 17 co-owners, Herbert Acuña Sánchez, likes to show visitors a chart containing 150 samples of Costa Rican woods. Colors range from the vivid purple of nazarena (also called purple heart or amaranth) through rich shades of red-brown and beige cocobolas (rosewoods) to the olive green of guayacan real (lignum vitae or ironwood). Factory products include necklaces (\$7), which are samplers of various woods, high chairs (\$30), trays (from \$6) and salad bowls (\$12 to \$30). The store ships purchases to the United States; packing and shipping fees for a midsize *carreta* are about \$150 to New York, \$100 to Miami.

Farther along the street, the Cooperativa Mercado Artesania advertises its presence by a Paul Bunyan-size ox-cart-wheel sign. Among the products inside are painted ox carts (\$100 to \$120), coffee tables (about \$50), large bowls with lids (\$12) and canes with animal-shaped handles by José Manuel Alfaro (\$16).

Many of the cooperative's artisans are pleased to show visitors their workshops. At one such home-studio behind the village square, Hernán Arce was painting narquoise and white designs on a full-size ox-cart wheel in a tree-shaded garden. Two of his granddaughters beamed as he showed painted gourds, an ox yoke and scenes on his studio walls as examples of his 40-year career as a decorative painter.

Cruise ships docked at the Pacific port of Puntarenas frequently offer day trips to San José with a stop in Sarchi. Several tour companies in San José, such as Swiss Travel Service, include a visit to the village as part of a half-day tour for about \$18. A taxi hired for the round trip from the capital, including an hour or two's wait in Sarchi, will cost \$25 to \$30. Rental cars are also available. About 10 miles south of San José, in Aserrí, Rodrigo Hernández runs his own business. Hernández, like many of his countrymen, once picked coffee for a living, but he now designs, carves and sells coffee-wood sculptures of the *campesinos* he came to know well.

A typical piece stands about 20 inches high, has a delicately carved face, large, bare feet, and holds an *alfarja* (shoulder bag), a bunch of bananas or an open sack of coffee grains. The sculptures of men have flamboyant handlebar mustaches and the

women wear long braids, all left the neutral blond color of the soft wood. Complexions, clothing and accessories are, however, tinted, bananas always with bright green.

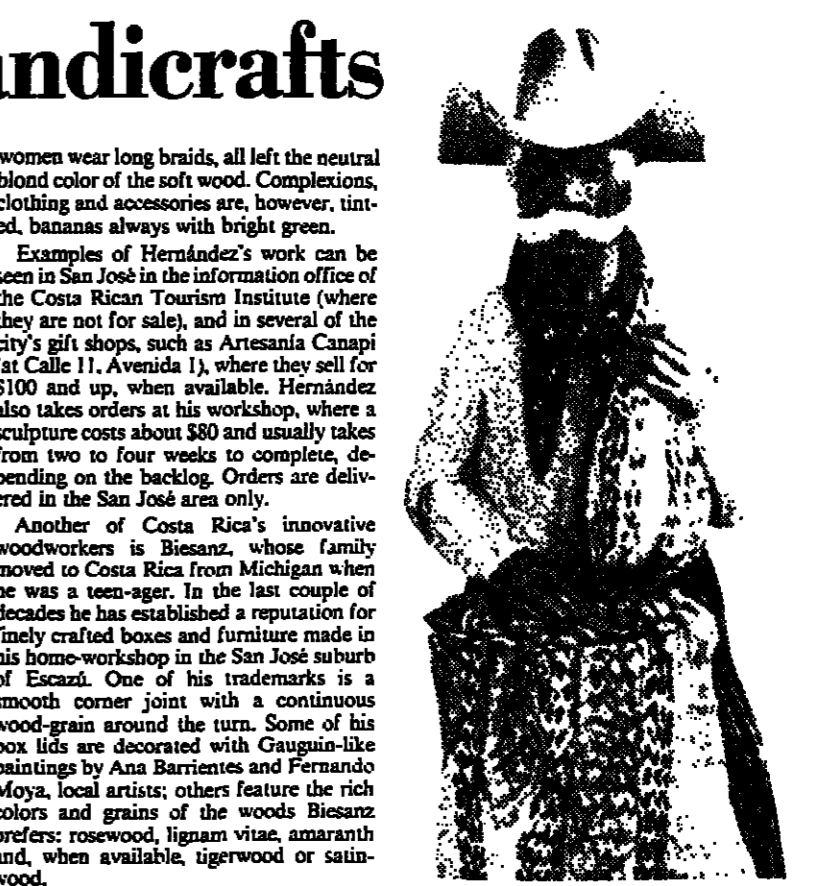
Examples of Hernández's work can be seen in San José in the information office of the Costa Rican Tourism Institute (where they are not for sale), and in several of the city's gift shops, such as Artesania Canapi (at Calle 11, Avenida 1), where they sell for \$100 and up, when available. Hernández also takes orders at his workshop, where a sculpture costs about \$80 and usually takes from two to four weeks to complete, depending on the backlog. Orders are delivered in the San José area only.

Another of Costa Rica's innovative woodworkers is Biesanz, whose family moved to Costa Rica from Michigan when he was a teen-ager. In the last couple of decades he has established a reputation for finely crafted boxes and furniture made in his home-workshop in the San José suburb of Escazú. One of his trademarks is a smooth corner joint with a continuous wood-grain around the turn. Some of his box lids are decorated with Craugina-like paintings by Ana Barrientes and Fernando Moya, local artists; others feature the rich colors and grains of the woods Biesanz prefers: rosewood, lignam vitae, amarant and, when available, tigerwood or satinwood.

In his sawdust-coated workshop, Biesanz stressed the importance of working with dried wood. Costa Rica is humid, and merely letting the wood sit a few weeks is generally not enough; cracks can develop in the finished product as the wood dries.

Biesanz's furniture is one of a kind, and often by special order, though he usually has several pieces for sale at his studio. Chairs (\$375 each) were recently on display, as was a dining table for six — its top made of a single piece of wood — (\$850). The most popular items, besides small boxes (\$20 to \$50) and neatly turned bowls (from \$20), are the compartmentalized jewelry boxes of rosewood (\$200) with brass fittings and dovetail joints.

Most of Biesanz's work is exported. Customers come from the United States, France, West Germany, Japan (a large order of sushi bowls and chopsticks was just



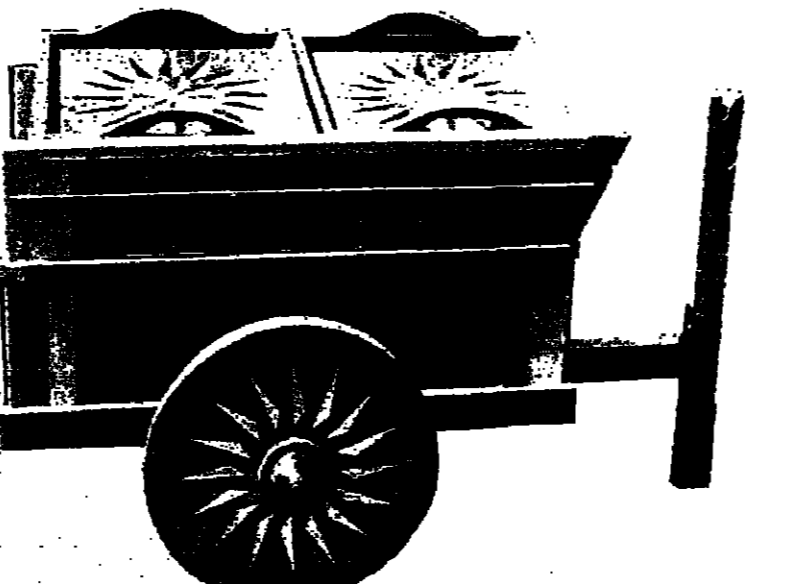
Farmworker with coffee.

completed) and elsewhere. "The Scandinavians have found us too; they come in and ask for 'anything but teak,'" he said.

Examples of Costa Rican woodwork can be found in numerous tourist shops in downtown San José. Most of the stores are within a few blocks of the National Theater and the Plaza de la Cultura.

Some of the best known are Artesania Canapi at Calle 11 and Avenida 1; Mercado Nacional de Artesania, Calle 11 at Avenida 2B; Suraska and Magia, on opposite sides of Calle 5 at Avenida 3, and La Galería at Calle 1 and Avenida 1.

Jeanie Puleston Fleming is a writer living in Santa Fe, New Mexico. She wrote this article for The New York Times.



Painted ox cart.

Photographs by Jeanie Puleston Fleming



TRAVEL

Standing at the End of the World

by Michael Gibson

LOOKING at a map of Ireland, one can see five fingers of land thrusting westward into the ocean from the southernmost corner of the island. Standing on the farthest tip of each with the right cast of imagination can be like standing at the end of the world.

Beyond there is nothing but the sea — or almost. The northernmost finger is the Dingle Peninsula whence Saint Brendan set out to sea in the early years of the sixth century hoping to find the Island of Paradise (he found Iceland, possibly Greenland and, some believe, America instead). South of that is Iveragh peninsula and beyond it some further specks of land. Culminating at more than 700 feet high, they are known as the Skellig Rocks.

The Skelligs are wilder even than Blasket Island, which stands a few miles to the north and which Thomas O'Coibane, a native fisherman and farmer vividly described in "The Islandman," his chronicles of life there during the last century. "This is a crag in the midst of the great sea, and again and again the blown surf drives right over it before the violence of the wind, so that you aren't put your head out any more than a rabbit that crouches in his burrow in Inishvickillane when the rain and the salt spume are flying," he wrote. Yet one of these rocks was chosen by monks 14 centuries ago as the site of a small settlement. It never sheltered more than 15 men in its most prosperous days, but its modest architectural remains and its breathtaking situation make it one of the most imposing sites in Ireland, and one that offers an extraordinary insight into that remote age.

Brendan's tale may well account for the peculiar inclination shown by communities of monks to establish themselves on inaccessible crannies, as far out on the ocean as possible, as though this could bring them so much closer to the island of the Blessed, in which a "year is like a day and no one feels hunger or thirst any more." Getting to the Skelligs even today is something of an undertaking. The small motorized fishing boats that putter out of Valencia or Portmagee on a fine day take about an hour to make the trip, but one can imagine what it must have been like when the island was to be reached only by coracles stretched with cow hides.

We were advised to go there with Des Lavelle, a descendant of several generations of Skellig lighthouse keepers and author of a charming and informative book on the islands. One is also advised to take waterproof gear, and this means not only a raincoat but also boots and something to cover the lower half of the body. When we undertook the trip one morning in July, in a broad and very mild Atlantic swell, the rearing boat chugged and swayed up to the top of the crests and then scudded smoothly down into the 10-foot troughs. The wind, moving and less convoluted of double-decked clouds through the mid air, was favorable on the trip out, but on the way back it flung buckets of salt water into our faces at regular intervals, and we shipped the top of a wave at least once. A passenger, who had until then been sitting there in the proud security of his high rubber boots, suddenly saw them brim over with cool liquid.



The beehive structures where monks dwelled.

The Skelligs are visible as soon as you leave the harbor. Viewed from this side, the 44-acre (17.8 hectare) Skellig Michael, where the monastery stands, is shaped roughly like a pyramid. But Lavelle's boat first headed for Small Skellig, a barren rock that is a sanctuary for about 40,000 birds. The rock ledges there are highlighted in white by the birds and their dung, and the perfume is quite penetrating, even from some distance. As the boat rounded the island, a grey seal followed us briefly, staring after us with appealing, dog-eyed curiosity.

You set foot on Skellig Michael at Blind Man's Cove, a hole in the rock face of the island where a cement pier has somehow been constructed. Closing in on the island from the south, one sees that it is shaped roughly like a saddle: its horn, a needle-sharp 714-foot pinnacle known as the Needle's Eye, stands to the west, separated from the monastery, located 600 feet above the sea on a somewhat flatter eminence, by a trough referred to as Christ's Saddle. A flight of steps leads to the lighthouse path. Lavelle, whose father was a lighthouse keeper there, explains that the sea in winter at times rages 200 feet up the cliffs, engulfing the lighthouse, and then recedes about 30 feet below its normal level before returning to the as-

sault. The lighthouse today is automatic. About half-way along the path, the steps leading up the mountain begin. There is an impressive amount of flowering vegetation, growing in sturdy tussocks over much of the surface of the island: sea pink, sea purslane and sea campion which, in the context, somehow manage to look like details from a medieval illuminated manuscript. An occasional rabbit can also be seen hopping unconcernedly on slopes that plunge almost vertically to the sea. There are large numbers of birds on this island, too. Peering into a rabbit warren on the way up you may find a puffin glaring out at you from the depths of the hole in which it has built its nest after having briskly evicted its previous owner.

Following the steps hewn out or laid down by the monks, you rise and rise. No banister stands between you and the deep. The weather has worked the rock into fantastic shapes and you cannot always tell whether an upright slab is an old crucifix worn down by wind and sea, or a natural formation which is slowly being eroded into the shape of a cross.

Nearing the top we passed a visitor scrupulously counting "flur hundert acht und dreissig — flurf hundert neun und dreissig" — and there was yet some way to go. Far below five or six boats could be seen waiting in relative calm on the sea side of the island. One reaches the monastery after one final and slightly dizzying flight of steps. A low doorway marks the entrance, and the limits

are still indicated by vestiges of a walled enclosure that failed to keep the Vikings out in 812, 823, 833 and 839. Viewing the monastery one may be inclined to wonder what the Vikings might have hoped to find there. It is not so much a monastery as an eremitic settlement composed of six corbelled, beehive-shaped huts, two boat-shaped oratories, and a small square tower built up against one of the walls. The monks or hermits lived and slept in two or three inside the small windowless buildings. The doors are just over four feet high and the average inside space about nine feet by nine.

The buildings, shaped like stone igloos, are very like the 400-odd huts dating back as far as 1000 B.C. that can be seen between Ventry and Sleah Head on Dingle peninsula. The austerity and solitude are overwhelming. The Irish government is currently financing restoration work on the site and it was reopened to the public this summer after having been closed all last year.

Lavelle's book, "Skellig Island Outpost of Europe," is available in most bookshops and souvenir shops in County Kerry. He charges five Irish pounds (about \$7.35) per person for the trip, which lasts all day. Departure from Valencia is around 10 A.M., from Portmagee around 11. Return to Portmagee is around 5:30. You must bring your own food, and driving into Portmagee around 10:30 any morning, you will most likely be flagged down several times and piled with offers.

THE FREQUENT TRAVELER

The Lighter Side: Coping With the Vacation Blues

by Roger Collis

THERE was a time when I used to dread vacations. The very thought of taking off for a fortnight (or heaven forbid, three weeks) to the sun-drenched Caribbean, the fleshpots of the Côte d'Azur or one of those idyllic getaway-from-it-all islands in a Greek archipelago would be enough to send me into a catatonic talsipin.

Ah yes, I can hear you murmur, one of those born-again workaholics who doesn't know how to organize his life. Not so. I'm as intrinsically idle as the next man. And as a professional wheel-spinner, I've always been able to rationalize any amount of time away from the office.

No, I was a victim of what management therapists now recognize as "holiday stress," a major factor in executive morbidity. Remove the day-to-day pressures and preoccupations of the office and a new kind of anxiety takes over. More insidious, more debilitating: a kind of free-floating angst about your job and your career that can make you a candidate for Paranoids Anonymous.

Holiday stress is endemic among frequent travelers and reaches an acute stage when the holiday is due to expire. This is known as the "re-entry syndrome."

They say it takes the first week of your vacation to unwind, the second week to enjoy and the third week to worry about what you might find (or not find) when you get back to the office. For example, have they reviewed the budget figures without you? Suddenly you see the dark significance of the chairman's parting words. Karl, your assistant, might be in the chairman's office right now mortgaging your department for the next three years. Maybe you are the chairman. But where was Nikita Khrushchev when he was deposed? Why, vacationing at a Black Sea resort. To paraphrase Clausewitz: Vacations are simply the continuation of politics by other means — a notion that has been enshrined at Harvard Business School in a course called Management by Surprise.

So much for the etiology of holiday stress; what can be done about it? A prescription of sorts was revealed to me in one of those rare Archimedean moments at the pool of a Tel Aviv hotel during a business trip last year, when I ran into my old friend Sammy. He sat down to discuss the problem. Had I read Stanley Zilch's new handbook, "Zen and the Art of Holiday Management"? It transpired that Zilch, director of the Blue Skies Research Institute in Broken Springs, Colorado, has come up with a powerful new management tool for salvaging the sanity of holiday miles, called Management by Absence. (You may recall Zilch's other contributions to management science such as "Management by Rumor"

and other essays in corporate bedlam and strife.) Since that fateful meeting, I've never looked back — except for an occasional glance over my shoulder — when I go on vacation.

Sedulous practitioners of Management by Absence (MBAs) know how to stifle any signs of incipient holiday stress by observing the following rules (Zilch's book is currently out of print, but a *seminar* version is distributed by the Society for Executive Survival, c/o The White House in Washington).

• Make sure that you are at the center of the universe even when you are away. For example, take the principal movers and shakers with you on vacation. This is somewhat drastic. After all, you are trying to recharge your batteries. A better idea is to send them on holiday themselves or organize an incentive conference, say on a Caribbean cruise, during your absence. Or else hand them grueling assignments that will occupy them fruitlessly while you're away.

One way to do this is to get your secretary to release time bombs in the form of memos requiring urgent attention every few days.

• Management by Absence requires careful attention to delegation. This involves transferring your own anxiety to someone else without appearing to do so. Remember that every piece of paper circulated in a company has an anxiety value — the co-noisseur knows how to exploit this by creating an "anxiety gap" between himself and his colleagues — anything from a nagging ulcer-tugging worry to raging paranoia.

• While you're away, keep in touch. This doesn't mean phoning the office every day (although if you own a yacht make sure it has a direct-dial satellite telephone) but through your portable PC. There's nothing like firing electronic memos from a moving base to keep people on their toes.

"Don't call us, we'll call you" is an excellent maxim. There's no danger as long as you keep the initiative. One way to do this is to make ominous hints at a major re-organization when you get back to the office. Assign your spurious tasks to give credence to this eventuality.

• Relax. After all this is the object of the exercise.

• Make sure you're missed. Nature abhors a vacuum, so you should have eliminated the risk of rival relationships developing that may usurp your power base. Divide and rule is an old-fashioned cliché but a powerful one.

The planned chaos and confusion you have sown should make everybody clamor for your return. This should always be unexpected — say the Friday before rather than the Monday morning.

With a bit of luck, you may be hailed as a deus ex machina. In which case, you might decide to take even more vacation next year. It's a great way to run a business.

OIL & MONEY THE CHALLENGE OF THE 1990's THE EIGHTH ANNUAL INTERNATIONAL HERALD TRIBUNE/OIL DAILY CONFERENCE, LONDON OCTOBER 22-23, 1987

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FOOD Aioli: A Triumph of the Ordinary

A STIMULANT in hot weather, a solid comfort in the cold, the proud Provençal sauce known as aioli is a triumph of the ordinary. A simple blend of garlic, egg yolks, virgin olive oil and coarse sea salt, this heady garlic mayonnaise was no doubt first concocted by peasants for a bit of bit on all those Fridays and holy days when more stimulating fare, meaning meat and animal fats, was forbidden.



At its purest, aioli — the oil is for garlic, oil is Provençal for oil — is one of the world's most satisfying, earthy and invigorating concoctions. As the Provençal poet Frédéric Mistral explained: "Aioli concentrates all the warmth, the strength, the sun-loving gaiety of Provence in its essence, but it also has a particular virtue: It keeps flies away. Those who don't like it, those whose stomachs rise at the thought of our oil and garlic, won't come buzzing around us, wasting our time. There will only be family."

Next to the other-herbed aioli, mayonnaise is nothing but marmalade, explained Mistral, who viewed the sauce as such a symbol of Provence that, when he founded his newspaper in the 1890s, he named it Aioli.

Of course aioli the sauce is nothing without accompaniments, generally a litany of finely sliced and simple foods that are spiced up, made more palatable by the unctuous, hyper-fragrant sauce. Like many popular foods, there are as many recipes for aioli as

there are cooks, and the litany of accompaniments changes according to the season, the larder and the whim of the cook. At its simplest, aioli serve as a welcoming adornment for boiled potatoes and grilled country bread; at its most complicated, platters laden with boiled carrots, potatoes, hard-cooked eggs, artichokes, green beans, cauliflower, snails, whelks, boiled salt cod, and even leftover lamb, serve as an excuse to eat garlic in the form of aioli. Restaurant aioli is hard to find, for as one chef bemoaned, "You can't send French businessmen back to work reeking of garlic." He also forgot to mention that, stimulating as it is, aioli is also somniferous. Don't feast on it if you have an active afternoon ahead.

developed a fanciful nomenclature for a simple food.

Like most simple dishes, aioli becomes complicated by confusion and nonsense. I agree with those who insist that aioli must be made by hand with mortar and pestle, though I have sampled respectable sauces prepared with a simple kitchen whisk or made with a hand-held electric mixer at low speed. Under no circumstances should it be made in a blender or food processor, both of which turn out a gluey, unappetizing mess.

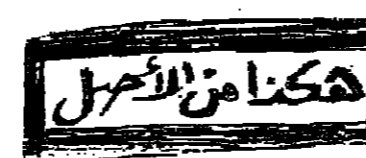
Many recipes call for the addition of mustard, vinegar, bread and/or lemon juice, but to me, the beauty of aioli lies in its purity and simplicity. It goes without saying that because aioli consists of only four ingredients, it is folly to skimp on quality. That means no dried out cloves of supermarket garlic, no peanut oil, and if you can secure them, use good Breton sea salt and fresh farm eggs.

Aside from top-rate ingredients, all one needs for a good aioli is a strong arm and plenty of patience. To insure a fine, emulsified sauce, make sure that all the ingredients are at room temperature. Pour boiling water into the mortar or mixing bowl to warm it before proceeding. Drain and dry the peeled garlic (re-movably the germ to make the raw garlic more digestible) and the salt with the pestle or the tines of a fork. Blend in the egg yolks then patiently, slowly, drop by drop, add the oil. Don't rush it or you will have to begin again, for the sauce will separate. (If it does, transfer the separated sauce to another container, begin again with a single egg yolk, and return the separated sauce, drop by drop, to the vessel, turning gently and patiently.) My own favorite recipe calls for six fat, fresh cloves of garlic, two egg yolks, a touch of Breton sea salt, and one cup of extra-virgin olive oil.

As with any dish surrounded by myth and mystique, the history of aioli is peppered with folk wisdom. Why does aioli sometimes fail? Unfaithful wives, germinating garlic cloves, a drafty room are to blame. And what can one do about the inevitable bout of indigestion that gets a few sips of mare or local caudé in the middle of the feast. Others advise parsley, mint leaves, an antidote. My favorite remedy, one that seems most effective, comes from a Provençal treatise on olives and oil. After you have eaten your fill of aioli, rub your lips with lemon rind, then down two large glasses of chilled tap water mixed with a healthy dose of fresh lemon juice.

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Spiffing

TRAVEL

Hushed Splendor in Zurich

by Paul Hofmann

WHEN Henry Kissinger's suit needed pressing at 1 A.M. one night at the Dolder Grand Hotel above Zurich, the job was done without fuss, the way diplomats like emergency to be handled. Service, even more than opulence, is the hallmark of that proud holdover from the Belle Epoque on a wooded hill overlooking the Swiss metropolis and its lake.

On your night table in a soberly elegant room you will find three buttons, for the floor waiter, the maid and the bellman — a reminder of a bygone era when hotel patrons took prompt attention from a numerous staff for granted. Press the appropriate button, and room service will at once call you back by phone to ask for your order.

Soon an impeccably groomed waiter will roll a folding table through the double doors; it will come complete with gleaming silverware, starched napkins and a fresh

flower in a vase together with the refreshments. A videocassette deck sits on the color television set. Tapes are available at the newsstand in the lobby. While you are at dinner, the maid turns down the bed covers and puts boxes of Swiss chocolates on the pillows.

In the large, crescent-shaped restaurant whose picture window looks out on a park with well-tended lawns, flower beds, hedges and trees, hotel guests need to tell the maître d'hôtel their room number the first time only; he will remember it for the rest of their stay, and they won't ever have to sign a bill.

The autographs of Churchill, Einstein, Toscanini and other personages of the past can be found in the Golden Book of the Dolder Grand. Today's clientele is made up mainly of financiers, business executives and people who are less easy to classify but seem to have dealings with Zurich's discreet banks.

There is often also a sprinkling of artistic and academic figures. At my latest visit,

Yves Montand, the singer and movie actor, and Emmanuelle Béart, a rising star of the French cinema, brought glamour to the usually sedate lobby.

An average of 250 employees look after the guests; during peak periods, especially in the warm months, the polyglot staff may swell to 300.

Of the Dolder Grand's 200 rooms (totaling 300 beds) 140 are in the main building. This is an 87-year-old yellowish structure suggesting, in its floor plan, a fan spread out in the direction of Zurich. It has woodwork and dormers on top, and three timber-framed towers that with their spiky cupolas may pass for Helvetic pagodas.

An annex in Riviera-cosy style, with terraces and gaudy awnings, was added to the Dolder Grand's west wing in 1964. It contains 60 rooms.

Double doors shield all guest rooms from the corridors. Suites and rooms are spacious with furniture in what may be described as neo-Empire, elegant draperies and overstuffed easy chairs in velvet or pleasant patterns. Particular care has been given to beddings, with gorgeous bedspreads. Bathrooms are oversize.

High trees — pines, oaks, birches, beeches — are visible from all windows. Some front suites and rooms command fine views of the northern end of Lake Zurich 500 feet (150 meters) below and of the city districts hanging in. For the asking, guests are given the Dolder Pass, which entitles them to use of the nine-hole golf links, swimming pool, skating rink and tennis courts that are part of the 50-acre estate. Paths across the forest lure joggers or strollers into the open air; it is far more bracing than the air that people breathe in the city below. Hotel guests share the clean atmosphere with the elephants, lions and other animals of the Zurich Zoo, within walking distance of the Dolder Grand.

Despite its county-club setting, the hotel isn't remote from Zurich's business and cultural life. A cogwheel railway car departs from a terminal just above the Dolder Grand about every 20 minutes from 6 A.M. to 11:30 P.M., delivering passengers at the Rotherhof Square six minutes later. From there you may walk to the Kunsthaus, Zurich's foremost art museum, on the nearby Heimplatz, or take the No. 8 tram to the heart of Zurich, or the No. 3 to the central railroad terminal.

The trip on the cogwheel railway traverses



The Dolder rises above a nine-hole golf course.

Photograph by Harvold Gould

a dense forest then descends to a neighborhood of villas and small cottages. The one-way fare is the equivalent of 70 cents; hotel guests carrying the Dolder Pass travel free. The short-trip fare on the municipal tram network is about 30 cents. A cab ride between the railroad terminal or the Bahnhofstrasse, Zurich's avenue of boutiques, deluxe shops and banks, and the Dolder Grand costs around \$9. The hotel will on request send one of its limousines to fetch travelers from Kloten International Airport, about 20 minutes away; the price is \$30.

The Dolder Grand, whose regulars dote on its quiet, has no night club. What's more, "we are trying to avoid travel groups," the chef de réception, J.-P. Huguenin, said.

A double room with bath at the Dolder Grand costs about \$175 to \$235 a day, a single with bath \$105 to \$150. Continental breakfast is included in the rates, and it is

just that — coffee, tea or hot chocolate, rolls, croissants, butter, jam and honey. A small glass of orange juice will add \$2 to your bill, eggs more.

The cuisine of La Rotonde, the hotel's restaurant, is French-inspired. A recent fixed-price dinner included a vegetable soup with croissants, duck à l'orange with mashed potatoes and green vegetables, and a raspberry sherbet served with a plateful of fine, small pastry. With a red Dôle from the 80,000 bottles in the hotel cellar, the meal cost \$34 for one. A la carte lunches or dinners may run to \$50 a person.

The curved restaurant has a soothing garden view through its nine picture windows. Inside, fresh flowers adorn the immaculate tables. The colors in the restaurant and in the salons for private parties are bright, and the design is modern, in contrast to the wood

panelling, tapestries and subdued lighting of the bar and the other public rooms.

A few hundred yards downhill from the Dolder Grand is the Dolder Waldhaus. The official Swiss Hotel Guide gives the Dolder Waldhaus four stars, and the Dolder Grand five-star rating. Doubles at the Waldhaus cost \$135 to \$176, breakfast included.

Visitors to Zurich who don't care for the hushed perfectionism of the Dolder Grand may want to take the cogwheel railway trip to the grounds with the woodland, promenade and sports installations. Don't miss tea in the hotel lobby, surrounded by dark-paneled paintings in heavy frames and marble columns, under a huge two-tiered alabaster chandelier. Tea or espresso, served in fine china with a starched napkin, will cost \$2.80; an additional \$2.50 will buy a supply of delicate pastry.

1987 The New York Times



The dessert wagon in the Dolder's restaurant.

Tourist Traps High in Andes

by Mark Kurlansky

CUZCO, Peru — Peru has never developed a major tourist industry, but high in the Andes, in Cuzco and Machu Picchu, it has perhaps the best tourist attractions in South America. And the Peruvians know it.

The former Inca capital, leveled and rebuilt by Pizarro, is an almost untouched Spanish colonial city inhabited by Incan descendants. It has a stunning setting 3,416 meters (11,207 feet) above sea level. The plane ride alone is stirring, as it passes jagged, glacier-studded crags.

The air is so thin at this altitude that you feel as if you cannot get enough of it into your lungs. Hotel keepers offer you a tea called mate that is supposed to help, but you still have to go slowly if you have sea-level-trained lungs.

The only variation from the 16th-century Spanish architecture are a few remnants of Inca walls. The Incas were exacting stonemasons and the fine lines of their well-fitted stones can be distinguished from the cruder European handwork of the time.

There are ruins on the outskirts of the city, and the remnants of Incan architecture, with stone terracing providing flat fields on impossibly steep slopes, are still all around the city. But the city itself, for all its Spanish architecture, is a living Incan city.

It is also a tourist trap. There is even an exit tax on domestic flights; Peruvians are charged the equivalent of about 23 cents and foreigners \$1.80 to fly back to Lima. The streets are lined with Indian women

selling every possible item, from flutes to woven articles. It takes only a short while to distinguish between the finely woven, richly colored older work and the cruder, brighter modern weaving. The craft seems to be in decline. However, many Indians can still be

Restaurant dishes include hot peppers stuffed with meat, roast guinea pig, vegetable fritters called torreyas and an Indian staple, kapchi, a kind of succotash made with potatoes, corn and lima beans.

seen in the mountains wearing fine woven shawls. Not all of these can be antiques. Among the odder articles for sale are the little antique dolls that are not really antique, but made from finely woven antique cloth stolen in small fragments from graves.

None of this is to say that Cuzco does not provide a genuine glimpse of Peruvian Indian life. Look for the chicha joints. Chicha is

an ancient Indian drink. It is bubbly and sour, made from fermented corn, and other grains. The Indians get drunk on it, but you really have to like the stuff to do that.

To find a chicha bar, listen for chicha music, a loud and lively variation on the flute-and-drum music of the Andes. Chicha bars seem almost always to be dark rooms with grim-looking red-eyed men seated at long tables. For some reason, the men often have one or two live chickens with them. Neither men nor chickens seem to be particularly animated drinking companions. The only female is an Indian woman who for the equivalent of less than 10 cents gives you a large glass of this horrible brew.

More cheerful but no less authentic are some of the local nightclubs, such as Kamicaza. Here good mountain music is performed live while locals munch on dried fat corn kernels and local sheep cheese and drink pisco. They even dance a local step to the music of wooden flutes.

Pisco is the Peruvian national drink. It is a white alcohol made from the leftovers of wine-making, similar to grappa in Italy or marc in France. Although Peruvian wine is not a great treat, the pisco is. At the urging of foreigners the pisco sour (with lime juice and bitters) is popular. But locals prefer good pisco straight or with soda, called a chichano de pisco.

There is interesting local fare at restaurants such as El Fogón de las Mestizas, where local dishes include hot peppers stuffed with meat, roast guinea pig, vegetable fritters called torreyas and an Indian staple, kapchi, a kind of succotash made with potatoes, corn and lima beans.

Machu Picchu, about 50 miles northwest of Cuzco, has some of the most spectacular ruins in the Americas. It is an ancient Incan city so obscured by rugged peaks that it was not discovered until 1911. It is more than ruins. It is houses, a city of masonry and wire engineering, agricultural techniques and gardening. The setting, great vertical shafts of snow-capped Andes, looks like a place where only a wild man would live.

But the city, abandoned for unknown reasons before the arrival of the Spaniards, conveys a sense of a highly sophisticated civilization, as advanced as Europe's but totally different.

There is a choice of how to get to Machu Picchu from Cuzco. There is a commuter train at 5:30 A.M. that stops in many villages and arrives at 10. It costs about \$3 round trip. Or you can leave at 7, pay about \$22 for what is called the tourist train, see no locals and arrive at the same time.

Either way the view is of steep green slopes with Inca terracing and snow-capped peaks, villagers on the trails in colorful alpaca wool clothes, and brown adobe villages crammed into rocky crevices.

The region is one of those spots where everything is the way it is supposed to be. Llamas are more common than donkeys. The people stay warm by the fires in the cool night air roasting ears of corn, or antichicos, tender pieces of beef heart, on a wooden skewer.



The ruins at Machu Picchu and, above, one of the inhabitants.

Mark Kurlansky is a journalist based in Miami.

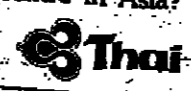
INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) 27th Aug. 1987. A large table listing various international funds with their respective values and symbols.







Why do we need the most hi-tech aircraft maintenance centre in Asia?



FRIDAY, AUGUST 28, 1987

Why do we need a business class even the travel industry raves about?



WALL STREET WATCH

Small U.S. Regional Banks Earn More Than Accolades

By PHILIP H. WIGGINS  
New York Times Service

NEW YORK — Regional banks with no exposure to foreign loans are increasingly being recommended by analysts, as many big money-center institutions and larger regionals continue to be battered by problems arising from foreign lending. On Aug. 19, for instance, Citicorp's stock fell \$2.50, to \$63.125 a share, after it announced that it would sell more than \$1 billion in new common stock to rebuild equity capital depleted by foreign loan losses.

Other banks are expected to emulate this strategy, and shares of Manufacturers Hanover Corp., Chase Manhattan Corp., BancAmerica Corp. and Security Pacific Corp. also declined after Citicorp's announcement.

"Besides their lack of exposure to foreign loans, many of these regionals have numerous other positive characteristics which make them attractive to investors," said Virginia Adair, a banking industry analyst at Merrill Lynch.

Analysts are recommending smaller regional banks with superior returns on assets in excess of 1.2 percent and returns on equity of 17 percent or more, high asset quality, strong earnings and a focus on customer service.

A 1 percent return on assets is the generally accepted benchmark for a solid performance by a banking institution, while a return on equity of 14 to 15 percent is considered healthy.

Among high-quality regional banks, Ms. Adair mentions favorably two in New Jersey, a market that this summer has already seen the proposed mergers of two major banks with out-of-state banks — one the U.S. unit of National Westminster Bank PLC. Her favorites are Valley National Bancorp. and the Ultra Bancorporation. Valley National, with assets of \$1.47 billion, has a return on assets of more than 2 percent and an equity of nearly 26 percent. According to one recent report, of the 200 largest U.S. banks in 1986, only one had a higher return on assets than Valley National and just two showed better equity returns.

Ultra is Ms. Adair's second choice. "For 1986, its return on assets of 1.49 percent and return on equity of 19.25 percent were up significantly from five years ago, when those figures were a mere 0.86 percent and 11.57 percent," she said.

For one U.S. regional bank, a foreign loan is one located in Indiana.

KATHLEEN SMYTHE de Urquiza, analyst for Montgomery Securities' financial services group in San Francisco, said she favored smaller California regional banks in general because they are "well positioned to survive the ongoing industry transition where there currently is a lot of consolidation."

Tim Rayl, an analyst with Allen C. Ewing & Co. of Tampa, Florida, likes First Florida Bank. He said the company, with \$4.9 billion in assets, averaged returns of 1.31 percent on assets and 15.95 percent on equity in 1986. "First Florida has a good franchise, tight financial controls and an old-line conservative management," Mr. Rayl said. "It's the J.P. Morgan of Tampa."

And John H. Ray, a Chicago-based bank and thrift analyst with L.H. Friend of Los Angeles, likes another high-performing Southeast bank holding company, the National Commerce Bancorporation of Memphis, Tennessee, a \$1.3 billion institution. Its returns on assets and equity last year were 1.15 percent and 17.49 percent, the highest for any major Tennessee banking company.

Mr. Ray has two regional bank favorites in the Middle West, both based in Chicago: Merchants Bank and Trust Co. and Heritage Financial Services. "As far as loans are concerned," he quipped, "for Heritage, a foreign loan would be one located in Indiana or Wisconsin."

Beijing Tightens Debt Law

Limits Firms on Foreign Loans

Beijing — China put into effect tough new rules aimed at tightening control of its growing foreign debt.

The rules, published in the People's Daily, require Chinese companies that want to borrow abroad to get approval from the State Administration of Foreign Exchange Control, an agency of the central bank. They also carry strict penalties for those who keep unauthorized bank accounts abroad.

The regulations are China's first detailed rules for the use and repayment of foreign loans.

The People's Daily quoted an administration official as saying that the regulations were intended to improve management and control of the country's foreign debt. "It is no longer enough to rely only on periodic national investigations," he said. "We must set up a comprehensive and strict monitoring system for the signing, use and repayment of foreign loans."

Official figures in March put China's foreign debt at \$16 billion, about half of it in low-interest long-term loans. Western estimates put the figure somewhat higher, at \$22 billion to \$25 billion, still small for an economy as large as China's.

Finance Minister Wang Bingqian said in a budget speech in March that foreign borrowing in 1987 was expected to rise to 4.6 billion yuan (\$1.7 billion) from 7.87 billion yuan in 1986 and 2.5 billion yuan in 1985.

The daily said a survey at the end of last year found more than 1,700 firms and financial institutions had taken out foreign loans.

The newspaper editor quoted a leading Chinese economist as saying too much of China's debt was in yen, whose rapid rise has sharply increased debt service liability.

He said China lacked qualified personnel to evaluate loans properly.

Under economic reforms since 1978, many exporters have been allowed to keep part of their foreign exchange earnings.

Computer Vision: A Frog-Eye View

Study of Retinas Helps Machines 'See' the World

By Andrew Pollack  
New York Times Service

SAN JOSE, California — In a landmark paper entitled "What the Frog's Eye Tells the Frog's Brain," researchers at the Massachusetts Institute of Technology reported in 1959 that the eye does not merely record an image, as film does, and pass it to the brain for analysis.

Rather, the retina in the eye of both frogs and people sifts the information, rearranges it and sends only what is useful to the brain. The nerve cells in the frog's retina, for instance, mainly pick out small dark moving objects — potential food.

Now a leading electronics researcher has produced silicon chips that perform some of the retina's functions. The researcher, Carver A. Mead, a professor of computer science at the California Institute of Technology, hopes that the artificial retinas may one day lead to dramatically improved machine vision.

Machine vision is already used to inspect products and allow robots to "see" what they are working on. Scientists envision one day building robots or vehicles that can steer by themselves, read handwritten documents and recognize faces.

Machine vision is generally accomplished by recording an image with a camera. The intensity of light at each point in the image is then converted into a number for processing by a computer.

Numerous mathematical operations are performed on the numbers. It can take millions of multiplications and additions merely to figure out where one object ends and another begins. It can take an entire night, for example, for the computer to deduce that it is looking at two squares moving in opposite directions. This makes it difficult for a machine vision system to operate quickly enough for the machine to react.

Mr. Mead is one of a number of scientists who think that mimicking the nervous system of humans or animals — or at least the little that is known about how it



Carver A. Mead, who has developed a computer chip for machine vision that partially emulates the retina.

works — will allow machines to handle such tasks. Machines based on this approach are generally called neural networks, after the neurons in the brain.

Mr. Mead, who is one of the world's experts on integrated circuit chips, has helped develop methods to design very complex computer chips. Now, he thinks that the next wave will be specialized chips that mimic the brain. These chips will in general be analog, meaning they will operate on continuously varying levels of current and voltage, rather than on discrete numbers, as in the digital computers.

Such analog circuits are not as precise as digital ones but they can be far faster than repeated calculations. The eye's retina also uses analog processing in some of its tasks.

Mr. Mead has formed a company, Synaptics Inc., in San Jose, California, to pursue neural networks. His partner and the company's president is another chip expert, Federico Faggin, an early microprocessor designer for the Intel Corp. and the founder of Zilog, another chip company.

Most neural network research is concentrating on cognitive tasks such as recognizing objects or learning from examples.

Synaptics is pursuing that as well. But the company is also working on preprocessing, the preparation of information that is sent to the brain, or the computer. On the hearing front, Mr. Mead has also begun work on a silicon cochlea, the part of the ear that filters sounds.

"By the time you get information," he said, "it's already been processed."

Dollar Declines, Kuwait Report Boosts Oil Prices

Compiled by Our Staff From Dispatches

NEW YORK — The dollar extended its fall Thursday in New York and Europe under continued pressure from the large U.S. trade deficit and without significant central bank support.

The dollar fell one-and-one-half pence against the Deutsche mark, dealers said, and more than 1 yen against the Japanese currency.

In other market news, oil prices rose on world markets amid reports that Kuwait, an influential Gulf member of OPEC, is suspending spot oil sales to scale back production to within its official cartel quota. The news helped reverse an earlier drop in oil prices.

On the New York Mercantile Exchange, October contracts for West Texas Intermediate, the benchmark U.S. crude, gained 18 cents to \$19.64 a barrel. Crude had traded as low as \$19.20 after profiting.

On the European spot market, Britain's North Sea Brent crude rose 10 cents to \$18.10 a barrel.

Prices had begun rising sharply on Wednesday after reports that the pricing and quotas committees of the Organization of Petroleum Exporting Countries would meet Sept. 7.

While the 13-nation cartel's self-imposed production quota is 16.6 million barrels a day, several members have been exceeding their limits at the same time that consumer countries have been adding to stockpiles because of worries over Gulf supplies. Supply has exceeded demand by enough to cut about \$3 of oil prices since early this month.

Industry sources said Kuwait has agreed to suspend crude sales on the international spot market to bring down production to within its OPEC-assigned quota of 996,000 barrels a day. Sources estimate that Kuwait, a close ally of Saudi Arabia within OPEC, has been pumping as much as 1.3 million barrels a day.

Some analysts speculated that the Kuwaiti action may signal that Saudi Arabia, OPEC's largest and most powerful member, is trying to pressure errant cartel members into See DOLLAR, Page 13

Exxon Is Suing Texaco On Overcharge Ruling

HOUSTON — Exxon Corp. filed a federal lawsuit against Texaco Inc. seeking \$123.6 million for what it said was Texaco's share of a billion-dollar oil overcharge judgment.

The lawsuit filed in Houston stems from a U.S. Supreme Court ruling that let stand a lower court decision finding that Exxon overcharged its customers for crude oil produced from Texas' Hawkins Field during the period of federal price controls.

Exxon, as unit operator of Hawkins Field, paid more than \$2 billion to the federal government for the oil overcharges in February 1986. It has since sought to collect about one-third of the judgment from some 300 working interest owners and 2,000 royalty owners in the field.

In order to sue Texaco, which is in Chapter 11 bankruptcy proceedings brought about by its legal battle with Pennzoil Co., Exxon was granted permission from a federal bankruptcy court earlier this week.

Exxon has also filed three similar lawsuits against Sun Exploration and Production Co. for nearly \$21 million, American Petroleum for \$8.3 million and Phillips Petroleum for \$3.1 million.

Other major oil companies participating in Hawkins Field include Amoco Corp., Dupont's Conoco Inc. and Mobil Corp.

A spokesman for Texaco said the company would fight the lawsuit.

Another VW Broker Is Seized In Currency Fraud Scandal

By Ferdinand Prozzman  
International Herald Tribune

FRANKFURT — The Brunswick state prosecutor said Thursday that authorities had arrested another Volkswagen AG foreign exchange dealer in connection with the currency trading fraud that saddled West Germany's largest automaker with huge losses.

The prosecutor, Carl Hermann Retemeyer, said that the suspect was arrested Wednesday in Brunswick on suspicion of aiding and abetting a fraud and on suspicion that he might flee to avoid prosecution.

He said that the suspect was male, but did not identify him. The man is believed to be one of three foreign exchange traders who are on an indefinite leave of absence from VW.

To date, three persons have been arrested in relation to the VW scandal on suspicion of fraud. An international arrest warrant also has been issued for Joachim Schmidt, a former Frankfurt currency broker whose whereabouts are unknown.

Mr. Retemeyer would not rule out further arrests in the case.

He said that the man arrested Wednesday was "previously a co-worker of Burkhard Junger's." Mr. Junger, the former chief foreign exchange trader at VW, and Lutz Quaquil, a foreign exchange dealer under Mr. Junger, have been jailed on suspicion of fraud.

VW has dismissed Mr. Quaquil, effective Sept. 30, said Ortwin Witzel, a company spokesman.

Mr. Witzel said that the suspect was still employed by VW, but that only the Brunswick prosecutor's office could supply his name. Six employees of the automaker have been dismissed or placed on indefinite leave of absence since the scandal broke.

Mr. Schmidt is suspected of playing the leading role in the fraudulent trading. He disappeared March 10, the day that VW revealed that alleged fraud involving forged currency futures contracts resulted in losses of 473 million Deutsche marks (\$259.2 million at current rates).

Mr. Retemeyer said that no arrest warrant had been issued for a secretary to Karl Otto Pöhl, president of the country's central bank. Police searched the secretary's office and home earlier this month after her name appeared in connection with payments from one of several Zurich bank accounts belonging to Mr. Schmidt that were seized by Swiss authorities.

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Currency Rates

Cross Rates	Aug. 27
Australian dollar	1.2875
British pound	1.6412
Canadian dollar	0.7125
Deutsche mark	0.6375
French franc	6.5500
Italian lira	136.0000
Japanese yen	163.0000
New Zealand dollar	0.4750
Swiss franc	1.4800
Taiwan dollar	20.0000
West German mark	1.0000

Other Dollar Values	Aug. 27
Canada	0.7125
France	6.5500
Germany	0.6375
Italy	136.0000
Japan	163.0000
UK	1.6412
Switzerland	1.4800
Taiwan	20.0000

Forward Rates	Aug. 27
30-day	1.6412
90-day	1.6412
180-day	1.6412
360-day	1.6412

Interest Rates

Interest Rates	Aug. 27
1-month	7.75%
3-month	7.75%
6-month	7.75%
1-year	7.75%

Key Money Rates	Aug. 27
3-month	7.75%
6-month	7.75%
1-year	7.75%

Asian Dollar Deposits	Aug. 27
1-month	6.75%
3-month	6.75%
6-month	6.75%
1-year	6.75%

U.S. Money Market Funds	Aug. 27
1-month	7.75%
3-month	7.75%
6-month	7.75%
1-year	7.75%

Gold	Aug. 27
1-ounce	\$375.00
100-ounce	\$37,500.00







the War

CURRENCY MARKETS

DOLLAR: Currency Falls in Absence of Central Banks

(Continued from first finance page)

Dealers said market participants were largely ignoring a comment by a Federal Reserve Board governor, Robert Heller, that the U.S. could not rely on a dollar fall to correct its trade imbalances.

In New York, despite rumors that the Federal Reserve was buying dollars with marks, the U.S. currency closed lower at 1.8095 DM, from 1.8245 on Wednesday at 1.4175 yen, after 142.93; at 1.4885 Swiss francs from 1.5040 and at 6.0500 French francs after 6.0920.

The British pound rose more than 1 cent, to \$1.6300 from \$1.6175.

Few analysts are expecting a dollar revival. In New York, a spokesman for Henry Kaufman said the chief economist at Salomon Brothers Inc. still expects the dollar will eventually fall below 130 yen and

London Dollar Rates

Table with columns: Country, Bid, Ask, Source: Reuters

1.70 DM. The statement, in response to rumors that the Salomon economist was issuing a new forecast, helped undercut the dollar.

MI Rises \$1.2 Billion

NEW YORK — The U.S. M-1 money supply rose \$1.2 billion to a seasonally adjusted \$750.7 billion in the Aug. 17 week, the Federal Reserve said Thursday. The previous week's M-1 level was revised to \$749.5 billion from \$749.2 billion. M-1 includes currency in circulation, traveler's checks and checking deposits at financial institutions.

Dealers continue to say that central banks would need to follow up recent statements in support of the dollar with substantial market intervention to arrest the decline of the U.S. currency.

Dealers said that month-end buying by traders who had previously sold dollars they did not yet own was helping limit the currency's decline.

At the London close, the dollar fell to 1.8125 DM, from 1.8260 on Wednesday; to 142 yen, after 143.05; to 1.4925 Swiss francs from 1.5040 and to 6.0555 French francs from 6.1000.

The British pound rose to \$1.6280 after \$1.6155. In earlier European trading, the dollar was fixed slightly lower in Frankfurt at 1.8203 DM from 1.8267, and in Paris at 6.0775 French francs after 6.1000.

The dollar also closed lower in Zurich, at 1.4928 Swiss francs after 1.5040.

Money Funds

Up \$248 Million

The Associated Press NEW YORK — Assets of 397 U.S. money market mutual funds rose \$248.5 million in the latest week, the Investment Company Institute said Thursday.

The increase, to a record \$244.79 billion in the seven-day period ended Wednesday, followed a \$1.86 billion increase in the funds' assets the previous week, according to the Washington-based mutual fund trade group.

The Institute said that in the latest week, assets of 201 general purpose funds fell \$321.5 million to \$69.79 billion, assets of 93 broker-dealer funds rose \$1.24 billion to \$108.34 billion, and assets of 103 institutional funds declined \$669.7 million to \$66.6 billion.

SIGHT: Looking to Silicon

(Continued from first finance page)

tion, it's not sensory-input information, it's already been highly processed," Mr. Mead said. Techniques that merely send raw data to the computer "throw away most opportunity to extract meaningful information out of the data," he said.

The retina is made of several layers of cells that receive the light falling on the eye and convert it to nerve signals that are sent to the brain via the optic nerve. One of the many things the retina does almost automatically is to contract the effects of different intensities of light: We can see both in a dimly lit room and on bright beach and can recognize a blue tennis racket in both places.

While that seems trivial, computer recognition systems can be thrown off even by the difference between fluorescent and incandescent lighting.

The retina also automatically compares points in an image with immediately surrounding points. This locates the edges of objects. In addition, the retina has neural circuits that detect motion. Mr. Mead's retina chip mimics this ability to some extent. It can follow the movements of a rotating fan, a difficult task for a digital computer. But when the fan is stationary, the chip will not see it.

Still, other vision researchers say the chip is more impressive as an exercise in design than as something useful for vision now. The retina chip performs only a few simple operations, far from all the retina does and certainly not everything needed for machine vision.

Other researchers also note that digital computer-vision systems, although not modeled on how the brain or eye work, already perform some of the same functions. For example, they use calculations on the digitized image to detect edges.

Speech-recognition systems and other sound-analysis systems separate the incoming sound into different frequencies to ease analysis. New high-speed parallel processing computers and specialized chips allow these tasks to be performed far faster than before.

And some critics say that trying to imitate animals is not the best approach.

Fed Governor Warns on U.S. Debt

Compiled by Our Staff From Dispatches

ALPBACH, Austria — The United States, which has moved from being a net creditor to the world's biggest debtor nation, must rein in its soaring foreign debt, a member of the Federal Reserve Board said Thursday.

"No one can have an inexhaustible credit line with fixed terms, and the same goes for nations," said H. Robert Heller, one of seven governors of the Federal Reserve.

"Growth of our external indebtedness at anywhere near the pace of recent years is clearly unsustainable," he said in a speech prepared for delivery to an economic forum in this Tyrolean mountain resort.

Mr. Heller said the U.S. merchandise trade and balance of payments deficits ballooned when the dollar surged in the mid-1980s.

That hit U.S. firms by making their exports too expensive while they had to compete with cheap imports at home.

In the process, the United States moved from being a net creditor of \$140 billion in 1981 to a debtor, owing about \$265 billion to the rest of the world at the end of 1986.

The fall of the dollar helped boost U.S. goods' competitiveness and the trade balance had begun to improve in real terms, although it remains deeply in deficit.

"But we cannot sit back and let the dollar do all the work to restore our external balance," Mr. Heller said.

He said U.S. consumers and the government must restrain their spending, while other countries should boost their economies so

that consumers buy more — both U.S. goods and those made by companies at home.

Japan and West Germany, both with huge trade surpluses, are worried that economic expansion will rekindle inflation.

But Mr. Heller said: "Either we will grow together or we will shrink together."

He also said that inflation rates should move lower unless the war between Iran and Iraq again threatens the flow of oil from the Gulf.

"The surge in oil prices from last year's low level imparted some upward price pressures earlier this year, but if the Persian Gulf situation stabilizes, inflation rates should again move lower on a sustainable basis," he said.

(Reuters. AP)

Tokyo's 'Little Bangs' Shake Foreign Brokers' Fee Income

Resters

TOKYO — Tokyo's version of London's "Big Bang" financial deregulation has been a set of minor explosions, but the tremors are continuing, with foreign firms complaining that the changes unfairly favor local brokers.

The Tokyo Stock Exchange is slowly opening its operations to outsiders. But one of the main reforms has been a reduction in commissions for the large-lot trades on which the new foreign members of the exchange rely heavily.

The commissions on small-lot deals remain high, but foreign firms have few clients among the Japanese investors most likely to do that type of trading, brokers said.

"It's a question of equitable treatment," a director of one of the six foreign firms said.

The director of another foreign brokerage added: "We requested a meeting with the exchange in July to air our views, but they said they were busy."

The exchange declined to comment on why a meeting on the issue with the firms had not yet been arranged. However, it said it has intentionally limited the commission rate cuts to larger deals to prepare for the opening of the Tokyo market to full foreign participation.

The exchange will offer membership to another 10 to 15 foreign and domestic houses this October.

The six foreign members of the exchange

now are Merrill Lynch Japan Inc., Goldman Sachs (Japan) Corp., Morgan Stanley International Ltd., Vickers da Costa Ltd., Jardine Fleming (Securities) Ltd., and S.G. Warburg & Co. (Japan).

The exchange began cutting commissions in 1985 under pressure from major institutional investors. Foreign brokers joined the exchange

'It's a question of equitable treatment.'

— A foreign stockbroker

in February 1986, and in November rates were cut again. Foreign members lost 25 percent in revenues, industry sources said.

This compares with an estimated average reduction of 18 percent in commission earnings by Japan's so-called Big Four securities firms: Nomura Securities Co., Nikko Securities Co., Daiwa Securities Co., and Yamachita Securities Co., sources said.

Foreign firms said they endorsed the exchange's goal of moving closer to international standards, but that the impact of the cuts should be spread more evenly.

Another rate cut will be announced Sept. 11 and will take effect Oct. 1.

In this round of cuts, fees on the smaller deals of more than 10 million yen and less than 30 million yen (\$69,440 to \$208,330) are expected to be cut by between 10 and 20 percent. Fees on transactions in this size are now 0.70 percent, gradually falling to a minimum of 0.15 percent for those trades exceeding 1 billion yen.

Tokyo commissions for the biggest deals are in line with fully negotiable fees in London and New York, but are expensive for the smaller transactions, officials at the foreign securities houses said.

In addition to the loss of revenue, the timing of last November's cuts irked the foreign members, thus allowing foreign pressure to be charged by members for executing deals for nonmembers, an exchange spokesman said.

Scraping the 27 percent fee would further cut the value of a seat and enhance profits of nonmembers, thus allowing foreign pressure to admit more members, industry sources said.

While some foreign brokers, especially smaller nonmembers, think the rates are being cut too far too fast, their complaints are likely to get little sympathy from the institutional investors that now account for more than 75 percent of the exchange's volume, the sources said.

AUTOS: Dollar Drives Down Profit at Toyota, Volvo

(Continued from Page 1)

percent to 6.03 trillion yen from 6.31 trillion.

Toyota's vice president, Masami Iwasaki, said that the dollar's fall had reduced sales by 270 billion yen. The U.S. currency plunged during the fiscal year to an average of 153 yen from 201 yen in the previous reporting period.

Exports to the United States fell 5.1 percent to 963,000 vehicles while exports to Europe rose 7.4 percent to 434,000 vehicles.

Mr. Iwasaki said it was difficult to predict profits for 1987-88 because of uncertainties over the exchange rate.

Toyota expects parent company sales of 6 trillion yen in the year ending June 30, 1988, down 0.4 percent from a year earlier, he said.

Vehicle sales in the United States from January to July of this year totaled about 500,000 units, down 14 percent from a year earlier because of a drop in truck sales, he noted.

The auto industry will continue to face tough sales conditions, Mr. Iwasaki said, largely because the strong yen and growing protectionist sentiment in Europe and the United States will make Japanese exports less competitive. Competition also will be severe in Japan, he added.

Toyota's exports for the current fiscal year are projected at 1.70 million vehicles, down 5.6 percent, while domestic sales are expected to rise 3.4 percent to 1.85 million units.

Group sales rose 5 percent to 44.3 billion kronor in the first six months of 1987 from 42.1 billion kronor a year earlier, even though the lower dollar reduced the sales total by 2.3 billion kronor.

Mr. Sjoeborg attributed some of the improvement to strong truck sales in both Western Europe and the United States.

Worldwide car sales were up 3 percent in the first half to 19.13 billion kronor, while truck sales rose 7 percent to 8.39 billion kronor, Volvo said.

Digital Equipment, C. Itoh Settle Video Monitor Dispute

Resters

MAYNARD, Massachusetts — Digital Equipment Corp., the U.S. computer company, said Thursday that it has agreed with C. Itoh & Co. to settle, on a worldwide basis, the disputes with the Japanese trading company over Digital's intellectual property rights for its VT-220 video monitor.

Requests for dismissal of the pending U.S. and Canadian litigation will be filed, the companies said.

As part of the settlement, C. Itoh has agreed to stop selling its wedge-shaped CIT-220 monitor and to change the screens on its CIT-224 monitor.

C. Itoh also acknowledged the validity of Digital's U.S. design patent covering the VT-220 monitor shape and the copyright registration in the U.S. and Canada on the VT-220 screens.

Both of these patents were issued after C. Itoh started manufacture and sale of its CIT-220 line.

Thursday's OTC Prices NASDAQ prices as of 3 p.m. New York time. Via The Associated Press

Table with columns: 12 Month High Low Stock Div. Yld. Sales in 1986 High Low 3 P.M. CHG

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Sales figures are unaudited. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-low range and dividends are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.



# Treasury Bond Futures Celebrate 10-Year Climb

By Kenneth N. Gilpin  
*New York Times Service*

NEW YORK — There was no cake or champagne, but an anniversary of some importance to the financial world occurred last week. Ten years ago last Saturday, Treasury bond futures contracts were introduced by the Chicago Board of Trade to a skeptical and cautious investing public.

"There was a lot of resistance" to the contract, recalled Leslie Rosenthal, managing partner at Rosenthal & Co., a Chicago futures brokerage house. He served as chairman of the Board of Trade's financial instruments committee 10 years ago.

"Dealers were opposed because they pretty much had a monopoly in the business," Mr. Rosenthal said. "The contracts meant that they might be losing business, and that their spreads would narrow. A lot of them told us that interest rates did not fluctuate enough to warrant such a contract."

Such sentiments are gone. Over the last decade ballooning federal budget deficits, sharp moves in the value of the dollar and a increase in the issuance of corporate debt have produced dramatic daily moves in interest rates.

Slowly, corporate and government bond holders came to the realization that establishing positions in Treasury bond futures was the most efficient way to protect themselves against those moves or to speculate on where interest rates might be headed. Today, the contract represents about 30 percent of all futures trading in the United States.

"In our first full year of trading, some 220,000 contracts changed hands," said Karsten Mahlmann, chairman of the Chicago Board of Trade. "We now regularly trade twice that volume in one trading session."

The board's bond futures contract requires a purchaser of one contract to take delivery of the equivalent of \$100,000 in current U.S. Treasury bonds with a maturity of 15 years or more at a price set at the time of the purchase. A seller of the bond contract must deliver the bonds.

Dealers who purchase bonds can hedge against a possible adverse price move by selling bond futures. In so doing, they spread the underwriting risk of federal debt financing among the participants in the financial futures markets.

In a classic hedging situation, if bond prices rise, the cash bond position profits and the futures position loses. If prices fall, losses are taken on the cash bond position, but the futures position gains in value. When set up correctly, the losses and profits from the hedge should be equal.

Treasury securities are not the only cash instruments that can be hedged against with the Treasury bond futures contract. Because of its enormous size, price movements in the secondary market for government securities have a large impact on corporate and tax-free municipal bond rates as well.

Because of that relationship, and because a corresponding product has not yet been introduced, holders of corporate bonds often hedge their positions in Treasury bond futures. A municipal bond futures contract was introduced on the Chicago Board of Trade in June 1985. The board plans to introduce a corporate bond futures contract this fall.

Richard M. Kelly, president of Aubrey G. Lanston & Co. and deputy assistant secretary for debt management at the Treasury Department in 1978 and 1979, said the contract had "served as a useful hedging vehicle as well as an important speculative tool." He added, "Moreover, as interest rate movements have become so important globally, this contract has been the focal point, along with the Treasury cash bond itself, of United States interest rates."

The contract has also been a boon for the Treasury and, as a consequence, for American taxpayers. Initially, Mr. Kelly said, the Treasury was concerned that a futures market for Treasury securities might increase the volatility of long-term interest rates.

On some days, experts said, the bond futures market might indeed make interest rates move more sharply than they otherwise would. But there is also little question, according to former Treasury officials, that the ability to hedge positions in a large, liquid market has made it easier for the government to sell its securities.

"Either explicitly or implicitly, the Treasury bond contract has created a better environment for Treasury debt financing, especially as it relates to longer maturities," said John J. Niehenke, senior vice president for government securities at Nomura Securities International Inc.

## Thursday's AMEX Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

12 Month High	Low	Stock	Div.	Yld PE	52 High	Low	Close	Change
12	30	ABN G	17	118	113	113	113	-
12	30	ABN G	17	118	113	113	113	-
12	30	ABN G	17	118	113	113	113	-

12 Month High	Low	Stock	Div.	Yld PE	52 High	Low	Close	Change
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12	30	ABN G	17	118	113	113	113	-
12	30	ABN G	17	118	113	113	113	-

## Floating-Rate Notes

Issuer/Mat.	Current Yield	Bid	Asked
Alcoa Finance July 01	7.41	111.12	108.12
Alcoa Finance July 01	7.41	111.12	108.12
Alcoa Finance July 01	7.41	111.12	108.12

## Pounds Sterling

Issuer/Mat.	Current Yield	Bid	Asked
Alcoa Finance July 01	7.41	111.12	108.12
Alcoa Finance July 01	7.41	111.12	108.12
Alcoa Finance July 01	7.41	111.12	108.12

## Deutsche Marks

Issuer/Mat.	Current Yield	Bid	Asked
Alcoa Finance July 01	7.41	111.12	108.12
Alcoa Finance July 01	7.41	111.12	108.12
Alcoa Finance July 01	7.41	111.12	108.12

## Japanese Yen

Issuer/Mat.	Current Yield	Bid	Asked
Alcoa Finance July 01	7.41	111.12	108.12
Alcoa Finance July 01	7.41	111.12	108.12
Alcoa Finance July 01	7.41	111.12	108.12

## E.C.U.

Issuer/Mat.	Current Yield	Bid	Asked
Alcoa Finance July 01	7.41	111.12	108.12
Alcoa Finance July 01	7.41	111.12	108.12
Alcoa Finance July 01	7.41	111.12	108.12

## The European Banking Traded Currency Fund Limited

NOTICE OF THE THIRD ANNUAL GENERAL MEETING OF Shareholders to take place on the 25th day of September, 1987 at 11 am.

NOTICE is hereby given pursuant to the Articles of Association of The European Banking Traded Currency Fund Limited ("the Company") that the Third Annual General Meeting of the Company will take place on the 25th day of September, 1987 at 11 am at EBC House, 1-3 Seale Street, St. Helier, Jersey, Channel Islands for the purposes of considering and if thought fit, passing the following Ordinary Resolutions:

- That the Financial Statements for the period ended 31st March, 1987 together with the Report of the Directors and the Auditors thereon be received, approved and adopted.
- That Messrs Coopers & Lybrand who have signified their willingness to continue in office be and are hereby appointed the Auditors of the Company for the ensuing year and that the fee payable to them in respect of the year to 31st March, 1988 be determined by the Directors.

By order of the Board  
EBC Trust Company (Jersey) Limited  
Secretary

Dated the 28th day of August, 1987.

NOTES  
1. The holder of a Consenting Depositary Receipt ("CDR") may exercise his voting rights by endorsing the CDR at the office of Amsterdam Depositary Company, N.V., 172 Boulevard, 1012 VT Amsterdam, The Netherlands (the "Depositary") and by instructing the Depositary as to the exercise of the voting rights attached to the Shares evidenced by such CDR. In the absence of such instructions, the Depositary will exercise such voting rights or refrain from doing so, as it thinks fit in the interests of the holder.  
2. There are no service contracts with the Directors.

## High-Tech Upswings Missed By Victims Of '87 Distractions

Investors who keep protecting themselves against Middle East tensions by rushing to purchase metals have been missing another takeover phase in technology. Since gold's second rush through \$480 in May, Digital Equipment has added \$44 with bullish down \$20. Indigo\* shows in its current weekly report how Hewlett Packard was bottomed at \$1 as the public sold during the Cuban missile crisis — and bottomed again at \$7 during the energy crisis and \$29 during the high-tech panic of '85 when Apple and Compaq were below \$8. It bottomed again at \$52 during last Spring's inflation scare, has since reached \$69 — and by our calculations is trending toward \$138. Lower-priced rallying candidates under discussion include Microm and Evans & Sutherland — with coffee and T-bond futures high on our investment-investment list. The coupon will bring you complimentary copies of weekly "Discovery" reports.

Indigo INVESTMENT, S.A.  
Avenida Palma de Mallorca 43,  
29620 Torremolinos, (Málaga) Spain.  
Telephone 34 52 389600 - Telex 79423.

Confidential  
Tell me more about your research findings and projections in the T-bond and technology markets — and keep me on your complimentary list for future weekly growth studies.

NAME \_\_\_\_\_  
ADDRESS \_\_\_\_\_  
PHONE (business) \_\_\_\_\_ (home) \_\_\_\_\_

\* Indigo is not a licensed broker.

12 Month High	Low	Stock	Div.	Yld PE	52 High	Low	Close	Change
12	30	ABN G	17	118	113	113	113	-
12	30	ABN G	17	118	113	113	113	-
12	30	ABN G	17	118	113	113	113	-

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# Microsoft, Already a Computer King, Vows to Rule IBM Business Software

By Victor F. Zonana  
Los Angeles Times Service  
REDMOND, Washington — Earlier this year, Microsoft Corp. edged past Lotus Development Corp. to become the world's largest independent seller of programs for personal computers.

Microsoft had long been the most profitable publisher of PC software. To hear some folks at the company's idyllic 29-acre (12-hectare) headquarters tell it, the leap to No. 1 in sales was simply a case of Manifest Destiny.

While employees at Microsoft overstate the weaknesses of their competitors and fail to mention some strengths, the company's swagger is understandable.

In an industry where others consider themselves lucky to have a best-seller in any single product category, Microsoft is a leader in three: operating systems, computer languages and applications software. When Microsoft publishes the three top-selling Macintosh business programs.

Microsoft's Flight Simulator is also the leading entertainment program for both IBM and IBM-compatible machines and for Macintoshes.

Now Microsoft is preparing to unveil new programs in the only major product area where it has failed to produce a major hit: the market for IBM-compatible business applications such as financial analysis, database management and word processing.

At the same time, the company is working feverishly to deliver a successor to its MS-DOS operating system, known as Operating System-2. International Business Machines Corp., the computer giant, has enriched Microsoft by granting it a monopoly on operating system software.

Microsoft also is a pioneer in a revolutionary new technology using compact laser discs that contain vast stores of data.

At the end of this month, the company will release Microsoft Bookshelf, a single compact disc that contains electronic versions of 10 reference books for writers. At the touch of a few keys, a writer will have access to such works as Roger's Thesaurus, Bartlett's Familiar Quotations, the Chicago Manual of Style and the American Heritage Dictionary.

Jon A. Shirley, president and chief operating officer, turns aside suggestions that Microsoft should grow by aggressively making acquisitions. "Our plans are full," he said. At 48, Mr. Shirley is one of the oldest employees at Microsoft, where the average age is 28.

Critics of Microsoft say that its

plate is perhaps too full. They contend that the early version of the new OS-2 operating system shipped to software developers in early May takes up too much com-

puter memory, runs too slowly and is full of bugs.

The early release enables software developers to begin writing applications for the new operating system.

As a result, many in the industry predict that Microsoft will be late in delivering the Presentation Manager version of OS-2, which fully exploits computer capabilities by

providing users with multiple "windows" running different applications on the computer's screen. The new operating system, which controls the basic functions of the

computer, will allow programmers to write applications with dramatically enhanced capabilities.

Microsoft, which has not yet announced a release date for Presentation Manager, says the complaints are unwarranted. "For many companies, especially companies that want to milk old products and cut back on research and development, the status quo provides certain advantages," said Mr.

Mackaman, the product manager for OS-2.

Applications programs are what allow computers to perform useful tasks. The most popular applications include word processing programs, electronic filing programs known as database managers and spreadsheet programs. Spreadsheet programs, which generate long columns of numbers that can be recalculated quickly, are popular among businesses for budgeting and other financial calculations involving many variables.

Many believe that Microsoft is unusually well situated to take advantage of the arrival of OS-2. The company's virtual monopoly on IBM and IBM-compatible operating system software assures a steady stream of profits to plow back into applications development.

In fiscal 1987, which ended June 30, Microsoft's net income climbed 83 percent to \$71.9 million on revenue of \$345.9 million.

Microsoft's stock has quintupled since the company offered it to the public at \$21 a share in March 1986. Its 31-year-old chairman, William H. Gates 3d, became a billionaire this year.

Mr. Gates has made no secret of his determination to unseat Lotus as the No. 1 seller of software for business applications. "He is trying to build the IBM of software, and is determined to be No. 1 in everything Microsoft is involved in," says David Bunnell, chairman of PCW Communications and an old acquaintance of Mr. Gates. "I mean everything."

dropped out of Harvard University and moved to New Mexico to adapt the BASIC language to the MITS Altair computer, is for PCs to serve as easy-to-use "information appliances" in schools, offices and homes.

Later he moved the company to the Seattle area, where he grew up and where his father is a prominent lawyer and his mother a member of several corporate boards. "The promise of the PC goes far beyond mundane business applications like spreadsheets," Mr. Gates said in a brief interview at a trade show in June.

That is why Microsoft has thrown its weight behind development of compact disc technologies known as CD-ROM and CD-I. The technology uses silvery discs resembling audio CDs that can store 550 megabytes, or 275,000 pages, of information — pictures as well as text.

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## BANKRUPTCY NOTICE

To those who have or may have claims against any of the following:

- Chateaugay Corporation
- Reomag, Inc.
- LTV Steel Company, Inc.
- Aogco Corporation
- Jones & Laughlin Steel Incorporated
- Jones & Laughlin Steel Corporation
- Jones & Laughlin Biwabik Ore Mining Company
- New J&L Steel Corporation
- Republic Steel Corporation
- Youngstown Sheet and Tube Company
- Magdalenita Mining Company
- Rand L Corporation
- Union Dock Company
- Jones & Laughlin Realty Properties, Inc.
- North Versailles Mining Company
- Nikomina Corporation
- LTV Steel Company
- Nakoma II Corporation
- Eadmo Corporation
- RSC Energy Corporation
- The Buckeye Coal Company
- LTV Steel Flat Rolled and Bar Company
- Calumet Barge Terminal, Inc.
- Central States Operating Company
- General Alloy Casting Corporation
- Hydrocoast Transportation Company
- The Mayville Iron Company
- Nemacolin Supply Company
- Transoceanic Terminal Corporation
- The Youngstown Steel Products Company of Michigan
- The Youngstown Mines Corporation
- The Youngstown Steel Products Company
- Republic Hibbing Corporation
- Aglopet, Inc.
- Central States Precision Steel Company
- Citron Coal Company
- Economy Fuel and Supply Corporation
- Homar Precision Grinding Company
- LTV Tubular Products Company
- Mahoning Ore and Steel Partnership
- Mid-Atlantic Precision Steel Company
- Midwest Precision Steel Company
- Nemacolin Mines Corporation
- Precco Steel Corporation
- Republic Fuel and Supply Company
- Southern Precision Steel Company
- V.H.E. Corporation
- LTV Steel Tubular Products Company
- KGD Corporation
- LTV Tubular Products Company
- LTV Steel Specialty Products Company
- LTV Specialty Steels, Inc.
- J&L Specialty Steels, Inc.
- Midstain, Inc.
- Bardale Coal Company
- Barrel Corporation of West Virginia
- Republic Container Company
- BCNR Mining Corporation
- Crystalane, Inc.
- Crystalee
- Dearborn Leasing Company
- Eric B Corporation
- Behlehem Eric Corporation
- Eric Development Company
- Eric I Corporation
- Interlake Eric Corporation
- Eric Mining Company (LTV Steel Mining Company)
- Georgia Tubing Corporation
- Gulf States Steel Corporation
- CKH Corporation
- NRE Corporation
- North River Energy Company
- J.W. Storage Company of Ohio
- Republic Storage Systems Company
- Jalcite I, Inc.
- Jalcite II, Inc.
- Jalore Mining Company, Ltd.
- Jones & Laughlin Environmental Properties, Inc.
- Jones & Laughlin Mining Company, Ltd.
- Jones & Laughlin Ore Mining Company
- Lorain Pellet Terminal Company
- LTV Electro-Galvanizing, Inc.
- LTV Holdings, Inc.
- GK Steel Corporation
- Lykes Leasing Corporation
- Nemacolin Mines Corporation
- Republic Buildings Corporation
- Republic Drainage Products Company
- Republic Technology Corporation
- Republic-Reserve, Inc.
- Tuscaloosa Energy Corporation
- Youngstown Erie Corporation
- YST Erie Corporation
- The LTV Corporation
- LTV International Sales Company
- Lykes Corporation
- Republic International Corporation
- Kentron International, Inc.
- Jones & Laughlin Industries, Inc.
- Energy Resources Management Corporation
- Great Western Steel Company
- Gulf & South American Steamship Co., Inc.
- Lykes Computing Corporation
- Lykes Electronics Corporation
- Lykes Resources, Inc.
- The Scarlet Mines Corporation
- Briggs and Co.
- Continental-Emsco International, Inc.
- KI Inc.
- The LTV Corporation (Alabama)
- LTV Equipment Sales Company
- LTV International Sales Company
- LTV International, Inc.
- LTV Leasing, Inc.
- Lykes Financial Corporation (Delaware)
- Lykes Financial Corporation (Louisiana)
- Ore Finance Company
- OSR Development Company
- Skagit Corporation
- Transportation Systems, Inc.
- Vehser Corporation
- Wilson Oil Rig Manufacturing Co.
- LTV Sales Finance Company
- LSC Leasing, Inc.
- The LTV Corporation (Wyoming)
- LTV Education Systems, Inc.
- LTV International, N.V.
- LTV Leasing, Inc.
- LTV Properties, Inc.
- LTVUS, Corp.
- Lykes Equipment Corporation
- Repssteel Overseas Finance N.V.
- LTV Aerospace and Defense Company
- Sierra Research Corporation
- Vought Corporation
- Vought Helicopter Incorporated
- AM General Corporation
- Amland Corporation
- Kentron Saudi Arabia, Inc.
- National Telephone Systems, Inc.
- Sierra Information Systems Corporation
- A/K/A Siscor
- Sierra Research International Corporation
- SRC International Sales Corporation
- Universal Time/Frequency, Inc.
- Gulf & South American Steamship Co., Inc.
- Vought International, Inc.
- Vought Overseas, Ltd.
- Vought Saudi Arabia, Inc.
- Vought Properties, Inc.
- Continental Emsco Company
- FC Divestiture Corporation
- Fibercast Company
- Halcop, Inc.
- E&H Industrial Supplies, Inc.
- J. K. Industries, Inc.
- Juddcorp, Inc.
- H&T Explosives Co., Inc.
- LTV Energy Products Company
- Automated Fluid Systems Division
- Continental Supply Company
- Drilling Equipment Division
- LTV Tubular Services Company
- Tubular Services Division
- Technical Plastics Division
- Continental Emsco Division
- Oil States Industries, Inc.
- Oil States Offshore Marine Division
- Republic Supply Company
- Skagit Division
- United Meter Co., Inc.
- Wilson Oil Rig Manufacturing Division
- Continental Emsco Company
- The Continental Supply Company
- Dura-Tech Products Division
- LTV Tubular Services, Inc.
- Oil States Rubber Disc, Inc.
- Oil States Offshore Marine, Inc.
- Oil States Rubber Co.
- Technical Plastics, Inc.

### NOTICE OF LAST DAY TO FILE PROOFS OF CLAIMS

TO: ALL PERSONS ASSERTING A CLAIM AGAINST ANY OF THE ABOVE-CAPTIONED ENTITIES:

PLEASE TAKE NOTICE,

that the United States Bankruptcy Court for the Southern District of New York (the "Court") has entered an order dated July 30, 1987 (the "Order") requiring all persons and entities, including, without limitation, individuals, partnerships, corporations, estates, trusts and governmental units, EXCEPT THOSE PERSONS AND ENTITIES DESCRIBED IN PARAGRAPHS "A" THROUGH "C" BELOW, who assert a claim (as defined below) against any of the above-captioned debtors (collectively the "Debtors") which arose prior to July 17, 1986 (or in the cases of the LTV Corporation (Wyoming) and Continental Emsco Company, which claim arose prior to July 25, 1986 and August 1, 1986, respectively) to file a proof of such claim ON OR BEFORE NOVEMBER 30, 1987 (the "Bar Date") with the LTV Corporation, by mailing the claim to P.O. Box 94660, Cleveland, Ohio 44101, or delivering the proof of claim to the LTV Corporation at 25 West Prospect Avenue, Cleveland, Ohio 44115, such proofs of claim to be deemed filed when actually received.

As used herein, "Claim" means (a) right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured; or (b) right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured, or unsecured.

All persons who, or entities which, fail to file a proof of claim on or before the Bar Date shall be forever barred from voting upon, or receiving distribution under, any plan or plan of reorganization of the Debtors EXCEPT THAT:

- A. ANY PERSON WHO, OR ENTITY WHICH, HAS ALREADY FILED A PROOF OF CLAIM AGAINST THE DEBTORS WITH THE CLERK OF THE COURT (OR IN CARE OF THE DEBTORS) NEED NOT FILE A DUPLICATE PROOF OF CLAIM.
- B. ANY PERSON OR ENTITY (i) WHOSE CLAIM IS NOT LISTED AS "DISPUTED," "CONTINGENT" OR "UNLIQUIDATED" IN THE DEBTORS' SCHEDULES OF ASSETS AND LIABILITIES (AS AMENDED) FILED WITH THE CLERK OF THE COURT AND (ii) WHO AGREES WITH THE CLASSIFICATION AND AMOUNT SET FORTH THEREIN NEED NOT FILE A PROOF OF CLAIM.
- C. THE CLAIMS AND INTERESTS DESCRIBED BELOW ("EXCLUDED CLAIMS") ARE NOT AFFECTED BY THIS ORDER AND THEREFORE ANY PERSON WHO OR ENTITY WHICH HAS AN EXCLUDED CLAIM NEED NOT FILE A PROOF OF CLAIM ON OR BEFORE THE BAR DATE FOR THE EXCLUDED CLAIM ONLY. ALL OTHER CLAIMS MUST BE FILED ON OR BEFORE THE BAR DATE, UNLESS THE EXCEPTIONS OF PARAGRAPHS "A" OR "B" ABOVE APPLY.

1. Participants in and beneficiaries of (i) retiree life and health insurance programs need not file a proof of claim in respect to any claim arising solely out of the modification of retiree life and health insurance programs of the Debtors and (ii) the below listed pension plans need not file a proof of claim in respect of any claim arising solely out of the termination of the following Pension Plans:

- Republic Retirement Plan terminated September 30, 1986 (salaried);
- Jones & Laughlin Hourly Pension Plan terminated January 13, 1987 (hourly);
- Pension Plan of Republic Steel Corporation Dated and Effective as of March 1, 1950, terminated January 13, 1987 (hourly);
- Jones & Laughlin Retirement Plan terminated January 13, 1987 (salaried);

provided, however, that any current or former employees of the Debtors or their successors, heirs or beneficiaries who wish to assert a claim against any of the Debtors that is not based solely upon the termination of any of the above-mentioned Pension Plans (e.g., claims for eligibility or denied claim appeals from the Pension Plans, grievance claims, employee welfare plans, the Federal or State Black Lung Act, workers compensation benefits, personal injury, wrongful death, products liability, etc.) must file a proof of claim on or prior to the Bar Date.

2. Holders of any public debt securities of the Debtors which are traded on any U.S. or foreign securities exchange, with maturity dates after July 16, 1986, need not file a proof of claim arising from their ownership of such securities, provided, however, that any such holder who wishes to assert a claim against any of the Debtors that is not based solely upon such securities must file a proof of claim on or prior to the Bar Date.

3. Any of the Debtors or any affiliate of the Debtors holding a claim against one or more of the other Debtors need not file a proof of claim in respect of such claim.

4. Holders of claims whose claims heretofore have been allowed by Order of this Court, including claims of the Banks under the Amended and Restated Stipulation and Agreement to Provide Postpetition Financing and Resolve Certain Controversies dated as of July 11, 1987.

5. Holders of outstanding shares of common, preferred or special stock of the LTV Corporation or of preferred stock of LTV Steel Company, Inc. need not file a proof of interest allegedly arising from their ownership of such shares, provided, however, that public shareholders of any of the Debtors who wish to assert a claim against any of the Debtors that is not based solely upon ownership of the Debtors' common, preferred or special stock, including but not limited to claims based on (i) redemption rights of preferred shareholders, or (ii) unpaid dividends declared prior to July 17, 1986, or (iii) any other obligation of the Debtors, must file a proof of claim on or prior to the Bar Date.

ALL PERSONS AND ENTITIES OTHER THAN THOSE DESCRIBED IN PARAGRAPHS "A," "B" AND "C" ABOVE MUST FILE A PROOF OF CLAIM ON OR BEFORE THE BAR DATE OTHERWISE THEY SHALL BE FOREVER

### BARRED FROM VOTING UPON OR RECEIVING DISTRIBUTION UNDER ANY PLAN OR PLANS OF REORGANIZATION IN THESE CASES.

Acts or omissions of the Debtors prior to July 17, 1986 (including but not limited to Debtors' indentifications and guarantees, alleged environmental liabilities arising from Debtors' operations, services provided by the Debtors and products designed, manufactured or sold by Debtors such as the DJ-5 (Dispatcher Jeep) postal delivery vehicle manufactured by the AM General Corporation, oil drilling and production equipment manufactured by LTV Energy Products Company, and oil country tubular goods manufactured by LTV Steel Tubular Products Company and its and their predecessors) may give rise to claims against the Debtors notwithstanding the fact that such claims may not have matured or become fixed or liquidated prior to such date. Therefore, any creditor having a claim or potential claim against the Debtors, no matter how remote or contingent, must file a proof of claim on or before the Bar Date.

Proofs of claims shall conform substantially to the form approved by the Court, a copy of which is on file at the Office of the Clerk and may also be obtained by telephoning 1-216-622-4660. Proofs of claims must be filed by mailing each such proof of claim so that it is received on or before the Bar Date by:

<b>Mailing Address</b>	<b>Delivery Address</b>
The LTV Corporation P.O. Box 94660 Cleveland, Ohio 44101	The LTV Corporation 25 West Prospect Avenue Cleveland, Ohio 44115

Copies of the Debtors' Schedules are available for inspection during regular business hours at the Office of the Clerk, United States Bankruptcy Court, Southern District of New York, Foley Square, New York, New York, or at The LTV Corporation, as agent for the Court, at 25 West Prospect Avenue, Cleveland, Ohio.

In the event you have questions concerning the completion, filing or processing of your proof of claim, you may telephone 216-622-4660 between the hours of 8:00 A.M. to 4:00 P.M. Eastern Time for assistance.

Dated: New York, New York  
July 30, 1987

BY ORDER OF THE COURT  
BURTON R. LIFLAND  
UNITED STATES  
BANKRUPTCY JUDGE

LEVIN & WEINTRAUB & CRAMES  
225 Broadway  
New York, New York 10007  
DAVIS POLK & WARDWELL  
One Chase Manhattan Plaza  
New York, New York 10005  
Co-Counsel for the Debtors  
and Debtors in Possession

**LTV** The LTV Corporation

### BUSINESS PEOPLE

## Maisonrouge Resigns Post At Ministry

Compiled by Our Staff From Dispatches

Only 11 months after he was appointed, Jacques Maisonrouge has resigned from his job as director general for industry at the French Ministry. He was replaced Wednesday by Jean-Francois Saglio, 51, a former civil servant and a director of the state oil group Elf-Aquitaine.

The sudden departure of Mr. Maisonrouge, 62, whose appointment to the number-two job at the ministry had caused a stir in government and business circles, sparked speculation that there had been conflicts between himself and Alain Madelin, the French industry minister.

Mr. Maisonrouge, a former senior vice president of International Business Machines Corp., was the first manager from the private sector to be appointed to a post traditionally held by a senior civil servant.

He has been commissioned by Prime Minister Jacques Chirac to develop France's trade and industrial relations with the United States. He will also be nominated president of an unidentified "important body linked to foreign trade," French sources speculated that it was the Centre Francais du Commerce Extérieur, the French center for foreign trade.

Blackstone Group, a private investment banking firm, has hired Roger C. Altman as vice chairman. Mr. Altman, who was an assistant secretary of the Treasury in the Carter administration, said he had left his position as a managing director of Shearson Lehman Brothers Inc. Mr. Altman, 41, will focus on building Blackstone's financial advisory business and takeover activities.

The Magazine Publishers Association of the United States announced that Donald D. Kummerfeld had agreed to take over its presidency on Sept. 1. Mr. Kummerfeld worked for seven years in the federal Bureau of the Budget, served as deputy mayor of New York and was an associate of Rupert Murdoch. Mr. Kummerfeld, who is 53, will replace William F. Grogg, 61, who is leaving after five years to become president and chief executive of Arbor International, an investment firm in McLean, Virginia.

Motown Industries' music group has named Lee Young Jr. as president. Mr. Young, who has watched the repeated successes of American record companies that have signed foreign entertainers, says he will try to emulate them by adding to his company's roster of non-American performers. He had been executive vice president of the music group.

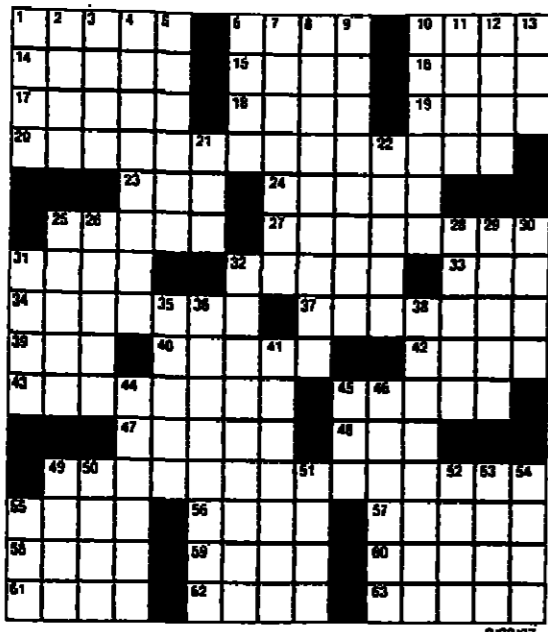
Shell Development Co. has named James R. Street as president. The company, which is the research division of Shell Oil Co., said Mr. Street would replace Donald G. Russell, who will retire Oct. 1 after 33 years of service. David B. Richardson, president of Shell Refining & Marketing Co., will succeed Mr. Street.

Clinique Labs Inc., the cosmetics company, has hired Karen Anderegg, who was editor in chief of Elle magazine, as president. She succeeds Carol Phillips, who was recruited by Leonard Lauder, president of Estee Lauder, to found Clinique 19 years ago.

Hooker Corp., an Australian real estate developer, named Michael J. Bibcock president and chief executive of Bonwit Teller, the high-fashion chain that Hooker bought from Allied Stores Corp. in April. He replaces William Kuben, who continues as Bonwit's vice chairman of merchandising. (HT, NYT)

the War  
in Policy  
YEARS AGO  
in the





**ACROSS**

1 Begin's Peace Prize partner  
6 Film actor  
10 Pahlavi, once  
14 Certain testimony  
15 Kind of check  
16 Spy portrayed by Garbo  
17 Harsh  
18 Battle scene in the Crusades  
19 Nobeist  
20 In high dudgeon  
23 Haw's partner  
24 Range  
25 Of questionable honesty  
27 "Tab" occupants  
31 Molecule unit  
32 Poet Lizette  
33 Egg: Comb form  
34 Breakfast item  
37 Of a famous fabulist  
39 Apr. collector  
40 Showed surprise  
42 Mauna Loa goddess  
43 Anne Oakleys  
45 Some Yalies  
47 Corner or edge, in Essen

**DOWN**

1 Window part  
2 Choral voice  
3 Regimen  
4 Lincoln and Ribcuff  
5 Covered with stannum  
6 Fast horse  
7 Tennis star in the 30's  
8 Really inexpensive  
9 Kind of town  
10 Actress-dancer North  
11 Barbara or Nathan  
12 Jeune  
13 Rush

21 "L.A. Law" actress  
22 Equipment for duellists  
23 Brenda of comics  
24 D.C. body  
25 Motorized bike  
26 Trundlings  
28 Pleading  
31 Quasi  
32 Restrains a horse again  
35 ... as a fire  
36 Franklin animal  
37 Profitable, old style  
38 "The Merry Widow," e.g.  
41 ... head (think)  
44 Brit Swedish actress  
45 P.G.A.'s Peete  
46 Trying experience  
48 Thunder sound  
49 Hedgepodge  
51 D.C. group re farm products  
52 Anagram for  
53 Former reina  
54 Clark, of the movies  
55 Room in a harem

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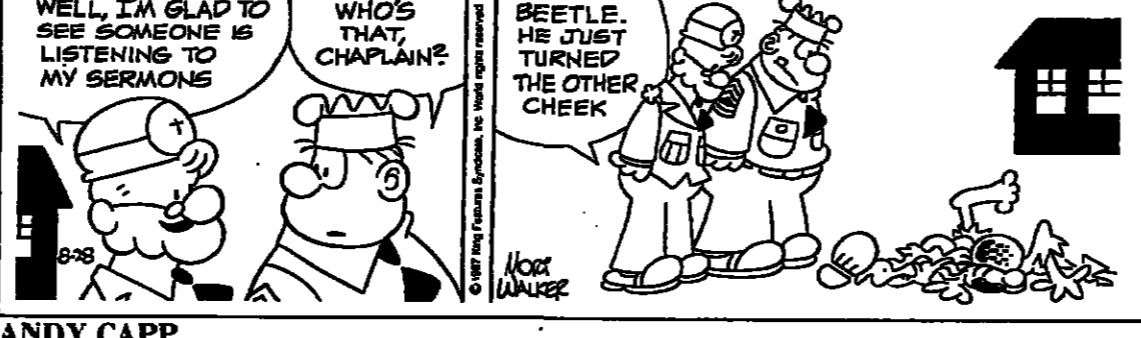
PEANUTS



BLONDIE



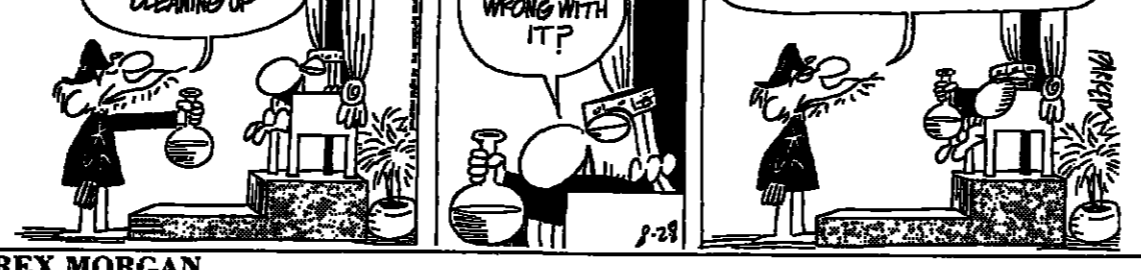
BEEBLE BAILEY



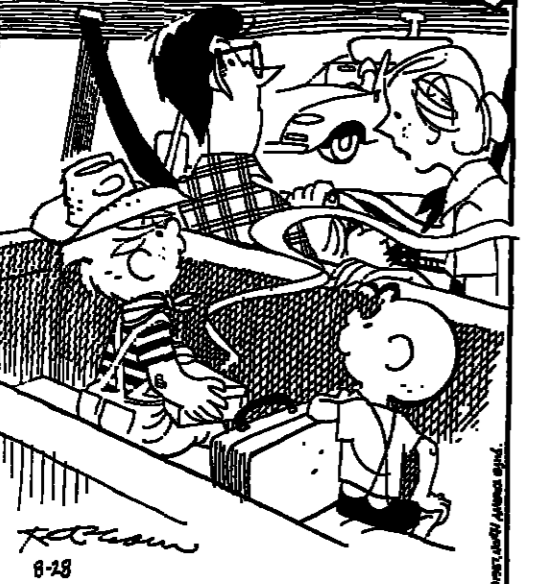
ANDY CAPP



WIZARD OF ID



DENNIS THE MENACE



"I'M BRINGIN' SOME STUFF FOR MR. WILSON'S GARDEN. MAYBE THAT'S WHAT YOU SMELL."

JUMBLE

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

**NORTS**  
[Grid]

**UFORR**  
[Grid]

**WAYYAN**  
[Grid]

**BLOTEG**  
[Grid]

Print answer here: [Grid]

Yesterday's Jumbles: MOURN KNEEL GAOLFY RANCOR  
Answer: "ARK-EOLOG!"

WEATHER

EUROPE	HIGH	LOW	ASIA	HIGH	LOW
Algeria	21	13	Beijing	21	11
Amsterdam	17	13	Bombay	28	23
Antwerp	17	13	Hankow	28	23
Athens	21	13	Harbin	28	23
Berlin	17	13	London	21	13
Bombay	28	23	Manila	28	23
Buenos Aires	17	13	Osaka	28	23
Calcutta	28	23	Seoul	21	13
Canton	28	23	Singapore	28	23
Chongqing	28	23	Taipei	28	23
Cebu	28	23	Yokohama	28	23
Colon	28	23			
Hankow	28	23			
Harbin	28	23			
London	21	13			
Manila	28	23			
Osaka	28	23			
Seoul	21	13			
Singapore	28	23			
Taipei	28	23			
Yokohama	28	23			

REX MORGAN



GARFIELD



BOOK BRIEFS

**OUTLAWS.** By George V. Higgins. New York, 521 Fifth Avenue, New York, N.Y. 10175.

George V. Higgins dislikes being called a crime writer, feeling the label is limiting and that his subject is the human comedy. Well, Higgins isn't Agatha Christie or P.D. James, that's for sure, but his chief characters are violent, commercial or political crooks and their legal hunters. For me he's a crime writer who is also a fine novelist. Nothing contradictory about that. He is also sometimes, as here, a novelist of a highly moralistic kind.

In "Outlaws" the criminals are half-a-dozen young men and women, well educated, some brilliantly intelligent, their parents well-to-do professional people. They first rob armored cars, eventually move on to multiple murder. Over a period of seven years they are traced, and four of them brought to trial.

Does this sound like a fairly orthodox tale of cops and robbers? That isn't so, and the difference is principally in the way the story is told. Higgins is a master of indirection; few of his characters say what they really mean or think, and he deliberately avoids the climactic scenes of violence in which lesser writers indulge themselves.

"Outlaws" confirms Higgins's astonishing ear for speech and his ability to build a novel almost entirely out of two-voiced conversations, with action described briefly and deadpan, or told by one character to another. There are plenty of good straightforward fictionists around, but George V. Higgins is a writer of genius.

(Julian Symons, WP)

**THE LAUGHING CRY.** By Henri Lopes. Translated from the French by Gerald Moore. Readers International, Strathroy Gardens, London NW3 4NA.

Henri Lopes, who currently works for UNESCO, was born in Kinshasa, educated there and in Paris, and has served as minister of education, minister of finance and prime minister of the Congo-Brazzaville government. He is, in a sense, a prime example of one kind of modern African: educated, professional, cosmopolitan, sophisticated, but still African. He sees the life and the complex ways of West Africa realistically and honestly from a European point of view. But he still sees them

through African eyes. Somewhere in the middle, in that conflict of views, is the truth about Africa, and Lopes has captured it in "The Laughing Cry."

To call "The Laughing Cry" a satirical novel about African politics and the nature of Africa can be misleading. It is not only a political book, but a satirical one certainly. Lopes's fictional country is run by Hannibal Ideloy Bwaka, that's for sure, but his chief characters are violent, commercial or political crooks and their legal hunters. For me he's a crime writer who is also a fine novelist. Nothing contradictory about that. He is also sometimes, as here, a novelist of a highly moralistic kind.

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(Julian Symons, WP)

**JIG.** By Campbell Armstrong. 495 pages. Bantam, 105 Madison Avenue, New York, N.Y. 10016.

It would be an understatement to say that "Jig" starts off with a bang; in its opening pages it all but explodes in the reader's face. A defaulter of a ship is making its way across the Atlantic to Ireland. Over the years, it has been used to ferry arms and funds for the Irish Republican Army, and more recently for an IRA splinter group calling itself the Association of the Wolfe (Wolfe as in Wolfe Tone); on this particular trip there is a courier on board with an unusually large sum of American cash. Suddenly, violence strikes, and all 10 million of them are disappeared.

Meanwhile, in London, the Association of the Wolfe has just claimed its latest victim. The new British ambassador to Ireland has been blown to bits by a bomb planted by the group's star assassin, the legendary "Jig"—a shadowy figure, known only by his nickname, and famous for his daring and his skill at picking off political enemies without killing or maiming innocent bystanders (which is the association's official policy, and what chiefly differentiates it from the main body of the IRA).

The job of catching Jig has been assigned to Frank Pagan, an odd man out in the stuffy British security establishment—a working-class Brit with a fondness for rock 'n' roll, Hawaiian shirts, and even, on occasion, Hawaiian shirts. Although Pagan loathes the IRA (his wife was killed by one of its bombs), there are things about Jig the man, as he imagines him, that he can't help admiring—but that doesn't mean that he isn't utterly determined to hunt him down.

Before long he learns that this will involve a trip to America, where Jig (so an informer tells him) has been dispatched to find out who hijacked the association's money and to get it back.

(John Gross, NYT)

BRIDGE

By Alan Tracycott

**PLAYING 16 deals in a major team championship on occasion be an exercise in futility.** If one team leads by 70 international match points or more into the last quarter of a Spingold or Vanderbilt Knockout Team Championship, all the players recognize that the match is effectively over. They are likely to zip through in an hour and a quarter, expending a minimum of mental energy and ending while others have an hour or so to go. Two decades ago this did not happen because these two events were structured differently. The organizers used a method that was abandoned for unclear reasons and is perhaps due for revival: the double knockout. Matches consist of 32 deals, not 64, but each loss continues until it has lost twice.

This scheme is popular in local events that continue over a long period. One of these is the Westchester Knockout, which ended recently. Winning the 1986-87 final by a margin of 42 points were Luella Slaner of Scarsdale, New York; Marty Bergen of White Plains, New York; Warren Rosen of Naamet, New York, Steve San-

NORTH	EAST	WEST	SOUTH (D)
AKQ3	AQ732	AJ988	A85
QK3	Q786	KQ	A85
A85	A85	A85	A85

Both sides were vulnerable. The bidding: West Pass, North Pass, East Pass, South Pass. West led the spade Jack.

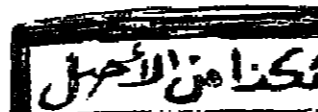
World Stock Markets

Vis. Agence France Presse Closing prices in local currencies, Aug. 27.

Amsterdam	London	Frankfurt	Stockholm	Oslo	Stockholm
ASX 100: 114.20	FTSE 100: 102.10	DAX 100: 123.10	STOXX 20: 11.20	OSLO 20: 11.20	STOXX 20: 11.20

Bank of Tokyo	Bank of Montreal	Bank of America	Bank of Canada
1140 1130	1140 1130	1140 1130	1140 1130

**FRIDAY'S FORECAST** - CHAMBERLAIN, FRANKFURT, Paris, cloudy. 11-20 (51-61). LONDON: Partly cloudy, Temp. 12-17 (54-63). BOSTON: Partly cloudy, Temp. 12-17 (54-63). NEW YORK: Partly cloudy, Temp. 12-17 (54-63). PHOENIX: Partly cloudy, Temp. 12-17 (54-63). PORTLAND: Partly cloudy, Temp. 12-17 (54-63). SAN FRANCISCO: Partly cloudy, Temp. 12-17 (54-63). SEATTLE: Partly cloudy, Temp. 12-17 (54-63). SINGAPORE: Partly cloudy, Temp. 12-17 (54-63). SYDNEY: Partly cloudy, Temp. 12-17 (54-63). TOKYO: Partly cloudy, Temp. 12-17 (54-63).





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SPORTS

A Big-League Import in Japan

Bob Horner Makes the Change in Prime of His Career

By Clyde Haberman

New York Times Service TOKYO — So it turns out that Bob Horner is human, after all.

Back in the spring, a lot of Japanese baseball watchers weren't so sure.

They were calling him the Red Devil, sometimes the Blood Ogre, a man of Brobdingnagian size and power, a hitter who merely had to think of a home run and it was as good as done.

Anyone would have excused the Japanese their hyperbole, given the way Horner had stormed ashore in early May to take up his station at third base for the Yakult Swallows of the Central League.

Fresh from the United States on a contract dispute with the Atlanta Braves, he hit a home run in his first game. The next day he batted out three more. Game No. 3 produced nothing, mainly because opposing pitchers thought it made more sense to walk him three times. But in his fourth game Horner bounced back with two more shots over the fence.

Six home runs in four games. Suddenly, all of Japan was talking not about trade surpluses but about this hulking import. Television commentators delivered impassioned lectures on how to get him out. Publishers tripped over each other to put out magazines devoted to the Ho-Na Gensho, or Horner phenomenon. Battalions of photographers stalked the new Swallow wherever he went.

Predictably, one could hear a few xenophobic mutterings, mostly well-worn twaddle from some sports circles about how foreigners should be banned because they were ruining the Japanese game. There arose, too, a conviction that Japan's single-season record of 55 home runs, held by the great Sadaharu Oh, was doomed.

Well, it is nearly September, and Oh has nothing to worry about. For sure, Horner is still hitting homers. He had 21 as of Wednesday, a more-than-admirable number for a man who has played in only 56 games, having started the season late and then missing some action because of injuries.

But setting records? Not this year. "Sure, I'd love to break records," he said. "But if you come over to a foreign country expecting to break all their records, you're kidding yourself in a lot of ways."

Although the man has proved to be mortal, the Ho-Na Gensho shows no sign of fading, at least to judge from the Horner dolls, Horner T-shirts, Horner megaphones and other Horner paraphernalia that went on sale this week at a Tokyo department store.

Of course, American ballplayers have long been a fixture in Japan. They are appreciated — some would say merely tolerated — for their power. Six of the nine leading home-run hitters in the Central League are Americans. (Horner is tied for seventh place.) In the rival Pacific League, Americans hold five places among the top 10.

In one vital respect, however, Horner is different.

Previous imports tended to be major league has-beens or never-wases. Horner is believed to be the first American to choose Japan in the prime of his career.

Through nine seasons with Atlanta, he batted .278 and hit 215 home runs, including four on a single day last year. Just turned 30, he is young, with ample youth ahead of him.

But Horner turned his back on the Braves as a free agent early this year, rejecting contract offers of \$3.9 million for two seasons and \$4.5 million for three seasons. He also took his battle to court, joining in a lawsuit accusing American baseball owners of collusion to hold down salaries for free agents.

Against that background, he was a relatively easy catch for



Bob Horner

you're testing yourself in for a letdown, and you're fooling yourself."

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Against that background, he was a relatively easy catch for

Yakult. All it took was a one-year deal reportedly worth \$2 million, by far the largest salary in Japanese baseball history.

That is a lot of money for a man likely to play at most 95 games. It is also more than twice the amount paid to the top home-grown star, Mitsubishi Ochiai, or to the previous reigning American star, a slugger from Oklahoma named Randy Bass.

At those prices, some resentment may have been expected. Indeed, soon after Horner signed, the Japanese sports press arched its collective eyebrows, with cavils that he tended to be overweight, to be injury-prone, to be overly fond of beer. Even now, some writers question how hard he tries on the field.

But his early home-run barrage silenced most of the critics. So did the obvious fact that Yakult was getting more than its money's worth.

Club officials say that they now average 37,000 fans a game at Tokyo's Jingu Stadium, compared with a pre-Horner attendance of 27,000. Those extra fans easily pay for his salary, plus a good deal more.

The Swallows, a nondescript outfit on the year, suddenly found its fourth place. For them, that is a dizzying height. As for the team's parent company, Yakult, Horner is a public-relations bonanza. Sales have reportedly improved this summer for the thousands of women who go door-to-door on bicycles peddling the milk-based soft drinks that Yakult makes.

"Unless I'm just missing something, I haven't felt any resentment about money at all," Horner said. "You find a lot more of that petty stuff in the United States."

For Horner, his wife, Chris, and their two sons, settling into Japan has been fairly easy. Some of the required adjustments were obvious but manageable, such as dealing with an unfamiliar language, unfamiliar food and even unfamiliar medical practices.

Horner submitted recently to his first acupuncture treatment, to help alleviate a back problem that had kept him out of the lineup for a few games.

It is accepted wisdom that he will say someday to Japan after a one-year fling. But Horner insists he has not made up his mind.

When the question arises, he puts a spin on a time-tested baseball cliché. All he wants, he says, is to play them one season at a time.



Paul Molitor, at the end of his streak, thanking the crowd.

Molitor Streak Ends at 39

Compiled by Our Staff From Dispatches

MILWAUKEE — An incredible story had an incredible ending Wednesday night as Paul Molitor's 39-game hitting streak, the fifth-longest this century, was stopped by a pitcher making his second start in the major leagues.

From the beginning, Molitor had said he was emotionally, physically and psychologically prepared for his streak to end and that, when it did, he'd accept it.

Was he prepared for John Farrell to pitch a single by a teammate to keep him from getting one last chance?

With Molitor on deck, Rick Manning got a one-out single to center field to score Mike Felder with the run that gave the Brewers a 1-0 victory over Cleveland in the 10th inning.

Molitor was the first player to greet Felder when he scored and, seconds after he disappeared into the dugout, the crowd of 11,246 called him back on the field for a curtain call.

Farrell, 25, is one of the Cleveland Indians' brightest young players. Staying mostly with a 90-mph fastball, he handled Molitor almost routinely in four straight trips, getting him on strikes in the first and on grounders in the third, sixth and eighth.

The Brewers scored their game-ending run off reliever Doug Jones. Molitor did reach base in the eighth, but only because the first baseman, Pat Tabler, bobbled a throw from third. Tabler was given

an error, and television replays clearly supported the call.

The crowd cheered loudly as Molitor came to bat in the eighth. Cleveland Manager Doc Edwards had said he would intentionally walk Molitor if the situation dictated it, and Wednesday night, with that option, he chose not to.

Suan Casillo had bunted Dale Sveum into scoring position with two outs in the scoreless game, and Edwards could have put Molitor on to set up a force at second. That would have brought up Robin Yount who has been almost as hot as Molitor the past month.

But he did give Molitor a chance. Farrell threw him a low fastball, then another for a strike before Molitor hit the soft grounder to Jacoby that led to Tabler's error.

Farrell was promoted to the majors Aug. 18 to replace the injured Sammy Stewart. He was the Indians' second-round draft pick in 1984 and, although he remains one of their best prospects, his credentials aren't impressive.

He came up with a 24-41 career

record, and had been 6-12 with a 5.83 ERA at Class AAA Buffalo this year. But in his first major league start last week, he beat the Detroit Tigers on a six-hitter, allowing two earned runs. He got Wednesday night's turn, when the scheduled starter, Rich Yett, twisted an ankle.

The last pitcher to stop Molitor was Toronto's Jimmy Key, who held him hitless in three at-bats on June 26.

After Manning won the game, there was silence at County Stadium except for a few boos of disapproval.

"I went up to Rick, and he said 'Sorry,' and I said 'Sorry.' You won the game," Molitor said.

Molitor needed one hit to equal Ty Cobb for the fourth longest modern major-league hitting streak. Cobb hit in 40 straight in 1911 for Detroit. Ahead of Cobb are George Sisler of the St. Louis Browns (41) in 1922, Pete Rose of the Cincinnati Reds (44) in 1978, and Joe DiMaggio of the New York Yankees (56) in 1941.

(WP, AP)

Nokes, Lemon Push Tigers Into First Place in AL East

Compiled by Our Staff From Dispatches

MINNEAPOLIS — Matt Nokes hit a two-run, pinch single with two outs and Chet Lemon followed with his second home run of the game as the Detroit Tigers rallied for five runs in the ninth inning Wednesday night and defeated the Minnesota Twins, 10-8.

The victory put Detroit half a game ahead of Toronto in the

out single leading the bases. Nokes got his go-ahead single and Lemon then hit his three-run homer.

White Sox 5, Red Sox 3: In Boston, Carlton Fisk belted a pair of home runs and drove in three runs, leading Chicago.

Royals 3, Rangers 0: In Kansas City, Missouri, Danny Jackson fired a four-hitter and Kevin Seitzer's two-run double highlighted a three-run seventh, carrying the Royals past Texas.

Cardinals 5, Astros 4: In the National League East, Minnesota lost for the eighth time in nine games and had its lead in the AL West trimmed to half a game over idle Oakland.

Nokes had been hitless in his previous 18 at-bats before singling to right field on a 0-2 pitch for a 7-6 lead. Nokes was batting .311 with 17 home runs and 48 RBI at the All-Star break in July; he is now hitting .280 with 23 homers and 67 RBI.

Jeff Reardon entered to start the ninth with a 6-5 lead. Instead of getting his 25th save, his record dropped to 6-7 and his earned run average went to 5.37.

"He didn't hit my first two fastballs so I figured I'd try another," Reardon said. "When I have my bad innings, it's been one pitch. I didn't do my job tonight. It's tough. 'We're in a pennant race and I didn't do my job. You can't do it all the time.'"

Darrell Evans drew a leadoff walk from Reardon in the Detroit ninth. Bill Macklock walked with one out and Alan Trammell's two-

(AP, UPI)

At Home with Jimbo, 'A Dad'

'I think I've learned more from my wife and kids than traveling all over the world.'

By George Vecsey

New York Times Service

NEW YORK — The public perception of Jimmy Connors changed on the day he appeared with his first-born, Brett. With no other visible change but a child, Connors stopped being Terrible Little Jimbo and became "A Dad."

He still stuffed tennis balls into his mouth and did his anus little wiggle on the court, but people thought he had changed, and in his private life he found himself opening up in ways that amazed him.

In the supple lurch from time zone to time zone, Connors rarely reveals this side of him, but Wednesday he relaxed long enough to talk about his family and even about a brief separation several years ago.

"I think I've learned more from my wife and kids than traveling all over the world," he said. "I was so high-strung but Brett gave me patience. They have helped my tennis in ways they didn't even realize."

Connors is in town to play in the Hamlet tournament in Jericho, New York, and then in the U.S. Open starting next Tuesday. His brash ways qualified him as an honorary New Yorker long ago, but these three weeks are tolerable because his wife, Patti, is with him, along with Brett, age 8, and Aubree Leigh, 2½.

"I leave 'em for four weeks at a time," Connors said Wednesday. "After two weeks, I'm a basket case. I sit in a hotel room and say, 'All right, an hour has passed, now there's only four days and 12 hours until...'"

"It gets awful. I feel like I'm missing something. I didn't have my kids to leave 'em at home."

The loneliness for his family on a ranch in California might have taken him out of tennis by now. Instead, his stable family life has allowed him to stay in tennis while

turning 35 next Wednesday, and still able to claw his way into the Wimbledon semifinals last month.

It did not come easily, he admitted Wednesday. He had been a headstrong backstop, roaming the world with money and ego to match with his mother as his most steady influence. But then he married Patti McGuire, once featured in Playboy magazine, and they had a child a year later.

"Being a father was something I wanted to do," he said. "But at first I would say, 'Here's your mommy — go see her.' I found myself thinking about tennis while I was home and thinking about my family while I was at the tennis court, and I would find I had just jessed up two hours of practice."

At first, he said, he could not talk to his wife about his strong feelings, the heightened moods that had driven him to the top of the tennis tour. And for a short time they lived apart.

"I'd been on my own so long, never having to answer to anybody," he said. "To have a problem, to have somebody there with me, I was probably not good at it — sharing, relating, communicating."

"Instead of using her as a friend, I felt I had to do it myself. I wouldn't talk. I wasn't any good to anybody."

After they were reunited, Connors said, he realized his wife "handles me very well. I don't want to people to say, 'You're right.' She'll say to me, 'What's wrong with you, boy? I'm not easy to live with. I wouldn't want to live with me. But she handles me right. And I realized the family was fine when I went to work.'"

They had been living in Miami but now he endorses a resort near Sanibel Island, Florida, and the family lives much of the school year near Santa Barbara.

"Being in school really helped Brett get back to earth," Connors said. "Up to 5, he got a lot of attention but he turned out O.K. It's good for him to be close to school. To have his own pals, his own life. I want him to realize this kind of life is abnormal, flying the Concordia, taking a limousine."

Connors now takes November, December and January off, riding horses on his ranch and going skiing in Colorado, something his wife loves. Connors said he will "stay on the bunny slope" until his career is over, which may not be all that soon.

When he was young and brash, he said he could not imagine himself in tennis past the age of 27, but once he hit 30, he got edgy when



Jimmy Connors

reporters in every town brought up the age issue.

"They were in a hurry to get me out of the game," he said. "The way it was said drove me crazy."

It used to be written that Connors' ego would not allow him to continue playing if he fell below the top of the men's tour. He has not won a Grand Slam event since the U.S. Open in 1983, but he keeps going because "I like the combat, one-on-one, against somebody 15 years younger than me — and beat 'em."

He admitted it is harder to keep pushing himself but he still considers himself "an animal," a "throwback to the hungry days, when nobody made any money except under the table." He said reserving most of the prize money for the winner and the three other semifinalists might make the younger players scrap harder.

"I can see some of them nervous before they play somebody with a reputation," he said. "I was always anxious but never knocking nervous. I used to beg to play the top guys. I didn't do me any good to beat the No. 200 player. But now everybody worries who they'll get in the first round or two. There's guys making a lot of money just for getting into the third round."

For the last few years it was a knee-jerk reaction to take one last look at Little Jimbo before the U.S. Open. But Connors says he plans to play "another two or three years" — as long as he can bring his wife and children to his adopted, spiritual hometown.

SCOREBOARD

Baseball

Wednesday's Major League Line Scores

Table of baseball scores for Wednesday's games, including American League and National League results.

Major League Standings

Table showing the current standings for the American League and National League.

Tennis

U.S. Open Seedings

Table of seedings for the U.S. Open tennis tournament, listing men's and women's singles.

Pro Leaders

Table of professional tennis leaders, listing men's and women's earnings.

Transition

Table of tennis transitions, listing players moving between tours and their previous opponents.

European Soccer

WEST GERMAN FIRST DIVISION

Table of West German First Division soccer results.

INTERNATIONAL FRIENDLY

Table of international friendly soccer matches.

SPORTS BRIEFS

Runner Withdraws From Rome Meet

ROME (AP) — Grete Waitz, a Norwegian distance runner, has pulled out of the World Track and Field Championships because of a lingering foot infection, organizers said Wednesday.

10 NFL Teams Shun Special Draft

NEW YORK (AP) — The list of National Football League teams that want no part of the Cris Carter-Charles Gladman supplemental draft continues to grow.

Graf, Lendl Top Seeds in U.S. Open

NEW YORK (AP) — Steffi Graf of West Germany and Ivan Lendl of Czechoslovakia were seeded first Wednesday for the U.S. Open tennis championships, which begin next week.

INTERNATIONAL CLASSIFIED (Continued From Back Page) - A large section containing various classified advertisements for travel agencies, escorts, and guides.



OBSERVER

Flight Line Ordeals

By Russell Baker

NEW YORK — Cal Ripken Sr., manager of the Baltimore Orioles, wanted to fly from Baltimore to Seattle last week but encountered Chicago along the way. There, after taking on passengers, his plane moved away from the terminal, feigning an intention to engage in flight, and crept around the airport for the next three hours.

"No air-conditioning on the plane, either," Ripken said. Obviously, Ripken doesn't know much about flying these days. The air-conditioning is always turned off during the three-hour wait for take-off. This is so the airlines can find out if the passengers have the right stuff. Can they spend three hours sealed inside a broiling metal container, moaning at three-tenths of a mile per hour, without breaking down?

Passengers lacking the right stuff may be removed in handcuffs. It happened recently at Chicago. De-luded by the test vehicle's resemblance to an airplane, a customer apparently thought it would fly him to New York and made an ugly scene after the three-hour test began. He didn't have the right stuff.

Ripken's staff must be as tight as Chuck Yeager's, for he passed the Chicago test without being tossed into the hoochhouse and arrested on the Pacific Coast in time to see his team lose to the Seattle Mariners for the seventh consecutive time this summer.

Had Ripken read "How To Fly," by Dr. Harold J. Liverworth, the famous Foremost Authority, he could have avoided the agony of Chicago. "Blooded veterans of air travel," writes Liverworth, "never submit to the ordeal until asking: 'Am I really in that big a hurry?'"

If not, he counsels, go by train, bus or car. Ripken should have taken the train. Consider: His team has been positioned for months in just one step out of the cellar of the American League East, habitually 15 to 18 games out of first place.

Since the Orioles were going nowhere, it was senseless for Ripken — he had been back in Baltimore because of a death in the family — to undergo ordeal by air travel to reach Seattle. By choosing instead to take a relaxing three-day train west, he could have passed up Seattle entirely and arrived in Oak-

land in time for his team's games there. But maybe Ripken thought the Orioles owner, Edward Bennett Williams, "noted trial lawyer," as he is always called, would not be pleased having his manager un-winding aboard the California Zephyr. In that case, Ripken could have turned to Liverworth's chapter titled "When Flying is Inescapable" and learned how to survive the taxi strips of Chicago.

A heavy dosage of those patent-medicine pills that drugstores sell to stem runny nose among cold sufferers can, Liverworth states, "leave the passenger so close to coma that three hours of close confinement inside the most brutally heated metal cylinder can be easily tolerated."

Airlines also want to see what kind of stuff their customers have left at the moment of liftoff. This comes when the plane has landed safely, and at the correct airport, and only three hours late, and is taxing toward the terminal.

"Do not deceive yourself with hope that you will be freed from the vehicle anytime soon," cautions the famous Foremost Authority. "Passengers will have to remain strapped down, or be severely scolded by flight attendants if they try to stand, while the pilot waits for an unloading place that strikes his fancy."

Passengers rarely go to pieces at this stage. Having passed the three-hours-in-a-hot-can test back in Chicago and negotiated the aerial part of the ordeal without distressing incident, the passengers tend to look 10 years older but are usually too relieved to crack up.

As Liverworth points out, the airline, of course, is merely preparing them for the final test to be administered when they report to claim their baggage. "Under no circumstances should you attempt to strike the baggage-claim attendants when you learn that your suitcases have disappeared," he warns.

"The real danger is that losing your temper over a little lost luggage will mark you as an airline passenger who lacks the right stuff," writes Liverworth. "To teach you a lesson, the airline will cancel your next flight."

New York Times Service

The Behaviorist Box of B.F. Skinner

By Daniel Goleman

CAMBRIDGE, Massachusetts — B.F. Skinner is a creature of carefully shaped habit. At the age of 83, he has fashioned a schedule and environment for himself that is in perfect keeping with his theories of behavioral reinforcement.

Skinner's personal Skinner box — his own self-contained environment of positive reinforcements — is his basement office in his home here. "I spent a lot of time creating the environment where I work," Skinner said as he recently led a visitor through the home where he and his wife, Yvonne, live. "I believe people should design a world where they will be as happy as possible in old age."

Burrhus Frederic Skinner, the chief architect of behaviorism, uses the office to marshal a crusade against what he sees as grave mistakes in psychology that have left his once pre-eminent theories in decline.

Behaviorism holds that people act as they do because of the rewards and punishments — positive and negative reinforcements — they have received. The mind and such things as memory and perception cannot be directly observed, and so, in Skinner's view, are unworthy of scientific study.

Much of Skinner's efforts now aim at meeting two major challenges to behaviorism: brain science, the study of links between brain and behavior, and cognitive psychology, the study of how the mind perceives, thinks and remembers and how goals and plans influence behavior.

During the recent visit, Skinner was in the midst of preparing a talk challenging rival theories. He plans to give the talk next week at a psychology convention.

It is to maximize his productivity in such writing, and to conserve energy in his later years, that Skinner has designed this environment. He sleeps in the office, in a bright yellow plastic tank just large enough for a mattress, a small television set, and some narrow shelves and controls. The bed unit, which bears some resemblance to a sleeper on a train, is one of those used by the Japanese in stacks in tiny hotel rooms, Skinner explained.

The office-bedroom suits Skinner's habits: he goes to bed each night at 10 P.M., sleeps three hours, then rolls out of bed to his nearby desk, where he works for an hour. He goes back to bed for another three hours, getting up to begin his day at 5 A.M.

In these early morning hours Skinner puts in about three hours of writing. He walks a mile or so to his office at Harvard University, where he answers mail and attends to other business. Then, for reinforcement, he spends the afternoon listening to music — which he loves — on the quadruphonic tape deck in his office.

This schedule, with its work output and rewards, allows Skinner to fight a continuing battle for his ideas on many fronts. "I think cognitive psychology is a great hoax and a fraud, and that goes for brain science, too," Skinner said. "They are nowhere near answering the important questions about behavior."

In addition to the speech opposing cognitive psychology he is giving at the annual meeting of the American Psychological Association, next month he will publish in the American Psychologist an article attacking not only cognitive psychology, but also other enemies of his brand



"We've destroyed all the reinforcers in life."

of behaviorism: humanistic psychology and other non-behaviorist psychologies. Humanists, Skinner writes in his article, have attacked behaviorism as undermining people's sense of freedom and have denounced its claims that the environment determines what people achieve. And, he writes, psychotherapists — apart from those who practice a behaviorist approach — rely too much on inferences they make about what is supposedly going on inside their patients, and too little on direct observation of what they do.

The use of punishment is another issue Skinner still feels impassioned about. He is an ardent opponent of the use of punishment, such as spanking, or using "aversives" — such as pinches and shocks — with autistic children.

"What's wrong with punishments is that they work immediately, but give no long-term results. The responses to punishment are either the urge to escape, to counter-attack or a stubborn apathy. These are the bad effects you get in prisons or schools, or wherever punishments are used."

Skinner continues to act as a social philosopher, a role he played most prominently with his 1948 book "Walden Two," which described a behaviorist utopia. In an article last year in the American Psychologist in which he examined "What is Wrong With Daily Life in the Western World," Skinner charged that common practices had eroded the natural relationship between what people do and the pleasing effects that would reinforce their activities.

For instance, in Skinner's view, fixed salaries do not reinforce workers because they are paid whether or not they do more than the minimum job. If workers were paid on a commission or by the piece their pay would be a

direct reinforcer for their labors, and they would work with more effort and pleasure. Another aspect of modern life Skinner criticizes, in all seriousness, is labor-saving devices, such as dishwashers or frozen dinners, which he sees as depriving people of the small satisfactions that accomplishing something brings.

"We've destroyed all the reinforcers in daily life. For example, if you wash a dish, you've accomplished something, done something that gives you a pleasing result. That is far more reinforcing than putting the dishes in with some powder and then taking them out again."

The device for which Skinner may be most famous, the original "Skinner box," was a large, glass-enclosed, climate-controlled baby crib with equipment to keep infants amused and well-exercised. Skinner is still pained by the rumors that his daughters, who used the box, became psychotic or suicidal as a result. Today one daughter is an artist and writer living in London, and the other is a professor of educational psychology at Indiana University; both are married.

When Skinner first began in the 1930s and 1940s to develop the principles of what he calls "radical behaviorism" — to distinguish it from the earlier theories of Pavlov and Watson — he argued that a scientific psychology could only study behavior that can be directly observed. For that reason, Skinnerian behaviorists have studied the laws of learning through observing responses such as the pecking of a pigeon, and avoided the "black box" of the inner workings of the mind.

In recent decades, though, advances in devices for monitoring faculties such as attention have spurred studies linking the brain and mental activity. If he were starting his research today, Skinner was asked, would he avail himself of these techniques?

"If I had it all to do again, I would still call the mind a black box. I would not use any of the new techniques for measuring information processing and the like. My point has always been that psychology should not look at the nervous system or so-called mind — just at behavior."

For Skinner, the mind is irrelevant to understanding why people behave as they do. In his view, most assumptions about mental life made by laymen and psychologists alike are based on fallacies.

"No one invented a word for mental experience that comes from the mind. They all have their roots in a reference to action. To contemplate, for instance, means to look at a template, or picture. 'Consider' comes from roots meaning to look at the stars until you see a pattern. 'Compass' means to put things side by side to see if they match."

All the words for mental experience go back to what people do. Over thousands of years, people have used these terms to express something that goes on in their bodies. But these are action terms; they do not mean that these things are going on inside the mind.

"The cognitive revolution is a search inside the mind for something that is not there. You can't see yourself process information; information-processing is an inference from behavior — and a bad one, at that. If you look carefully at what people mean when they talk about the mind, you find it just refers to how they behave."

One of the major disputes between the cognitive and behaviorist viewpoints is whether a person's actions are guided by goals and plans, or whether they are a result of that person's history of rewards and punishments. For Skinner, there is no question. "Behavior is always reinforced behavior."

PEOPLE

Self-Styled 'Mistress' Of Marcos Is Indicted

Doris Beauséjour de Villagran, 55, a self-proclaimed former mistress of the deposed Philippine president, Ferdinand E. Marcos, was indicted along with her husband on charges that they fraudulently obtained \$18 million in loans from 13 banks. A 42-count indictment returned by a federal grand jury in Los Angeles charges de Villagran and her husband, Sergio, with claiming nonexistent income and assets in applying for loans to support the couple's lavish life style. However, federal prosecutors said they have no evidence that Marcos put up the money to buy any of the properties to which the couple held title, including a 30-room mansion in Pasadena.

Frankie Murphy and Paramount Pictures Corp. are so enamored of each other that they have agreed on a long-term extension of their \$15-million, five-movie deal signed in 1983. "I don't want to talk about money, but I got a raise," the 26-year-old comedian quipped in Los Angeles. A string of Murphy-Paramount hits, starting with "48 Hours" and ending with "Beverly Hills Cop II" have earned a reported \$632 million in U.S. grosses alone. Under the extension, Murphy will star in at least five new films, including a third "Beverly Hills Cop."

The highest paid butler in New York City said he strives to do the best job possible serving his fellow man and, after some quick soul searching, said his motivation comes from "the money." \$90,000 a year, plus food, clothing and shelter. Desmond Gorges, 61, manages the household of a prominent British banker referred to only as "the chairman." Manhattan Inc. magazine reported that Gorges oversees a food budget of more than \$60,000 a year, a laundry budget of \$250 a week, and a staff of six that costs his boss well over \$200,000 a year. The magazine said Gotham's leading manservant was an Anglo-Irishman "with two university degrees and three languages, a former journalist, public relations man, film vivand, and Tunisian hotelier who traveled the world on his family name for 50 years until the luck and the money finally ran out."

TODAY'S INTERNATIONAL REAL ESTATE MARKETPLACE. Appears on page 12.

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Page 17 FOR MORE CLASSIFIEDS. The International Herald Tribune and Oxford Analytica present a special conference on The International Business Outlook University College, Oxford, September 16-19, 1987. Join selected top management executives at the Fourth Annual International Business Outlook Conference in the peaceful environment of University College. You will participate with small study teams of leading economic experts in addressing the current economic, social and political trends in key regions of the world. The combination of specific up-to-date briefings, high-level analyses and stimulating exchanges provides a rare opportunity over three days for in-depth discussion and reflection on the world business climate. The conference will close with a dinner at Blenheim Palace to be addressed by a leading international figure.